

ABSTRACT

Title of dissertation: DO ECONOMIC SHOCKS MATTER?
THE EFFECT OF THE ECONOMY
ON PRESIDENTIAL SUPPORT

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Doctor of Philosophy, 2018

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For decades researchers argued that individual's political attitudes, perceptions and evaluations were explained by early political socialization principles or, on the other hand, they react to different stimuli from the environment. Party identification or changes in the state of the national economy turned into the biggest predictors or explanatory independent variables when analyzing individual's political behavior. Campbell et al (1960) coined the term "perceptual screen" when describing the effect that party identification had over the individuals. 60 years later, different authors argued in the same fashion. "Partisans ignore or deflect information that is inconsistent with their party" (Green et al (2002)) or "Political party is a crucial mediating force" (Lewis-Beck et al 2008).

I use mediation analysis to introduce for the first time a systematic measurement of whether this mediation effect exists and how important is it. Bringing together individual's responses to nationally representative surveys and national macroeconomic performance indicators, I start analyzing the US from 1980 to 2016. I expand the scope of my dissertation findings incorporating 17 Latin American countries from 2006 to 2016 and I finalize analyzing Chile from 1900 to 2017.

My dissertation put together a multilevel regressions approach analyzing more than 235,000 cases across different political, economic and cultural institutions. I found that changes and shocks in the economy affect directly how individuals evaluate the state of the economy, not being mediated significantly by party identification. Party identification mediates economic perceptions on what I defined as the “Responsibility attribution stage”, or when individuals reward or punish the incumbent due to their economic management. Almost 30% of the presidential support is mediated by party identification when attributing responsibility to the incumbent in the US. Only 15% of the attribution is mediated by party identification in Latin America and 9% in the Chilean case. I also found important differences respect to the effect of party identification once one considers if the party is in office or in the opposition. I argue that this is explained by different political institutions but also because individuals evaluate variables different than macroeconomic performances.

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by

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Dissertation submitted to the Faculty of the Graduate School of the
University of Maryland, College Park in partial fulfillment
of the requirements for the degree of
Doctor of Philosophy
2018

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Prologue

October the 5th is an important date for Chile's Democracy. On the same day, since the beginning of the republic and until the military coup on September 11, 1973, Chileans voted to elect their president. For eighteen years Chilean democracy was upended and Chileans remained silent. Then, on October 5, 1988, Chileans said "No" to Pinochet.

I was born in the dictatorship years. I grew up under curfews, without the freedom to express myself, and forced to sing the national anthem in view of a stanza that highlighted how brave and noble the military were in bringing back "order" to our nation. I was born and raised by a loving family that did not talk about politics. The regime forcefully promoted the principle that talking about politics was wrong, which resulted in my political socialization starting relatively late in my life. It should not surprise readers, therefore, that the study of political power and the understanding of democratic rule guided not only my research interests but was also a very personal matter.

Even though I read George Orwell and Aldous Huxley as a teenager, I was not able to connect the dots between my personal experience and the storyline of those books. Orwell's "1984" was a book of fiction to me, which may have been exactly the way that many characters in the novel would have interpreted their own experiences. This is what socialization looks like under authoritarian rule; as it atomizes society and destroys most political socialization networks.

I had to wait to go to college, moving to the south of Chile to the Universidad de Concepción, where classmates introduced me to Gramsci and Marx. I never stopped wondering where power comes from and what challenges does democracy need to overcome.

This dissertation is the continuation, of a line of research started as an undergrad. A series of published articles set the foundation for this dissertation. In 2006, I published an article that analyzed how institutions affect vote choice and how electoral laws altered the behavior of politicians. Later, I incorporated a different set of institutional and contextual variables to these analyses, inquiring on how the economy affects individual choices.

In this dissertation, I brought together my interest on economic vote and partisanship, expanding my research comparatively and incorporating new methodologies that shed light on the relationship between partisanship, economic expectations, and responsibility attribution. Along the way, I met remarkable people that helped me in pursue of my academic interests. From Universidad Diego Portales I am thankful of Rossana Castiglioni, who I was lucky enough to have a class with when she just started teaching in Chile. No I am able to understand how important her energy and momentum was on my career.

As a student in his seminars in college, I met Patricio Navia, who became one of my academic mentors. Patricio Navia opened a new world to me, as he encourage me to pursue graduate studies in the US. Working for President Michelle Bachelet, from 2006 through 2008, I had the opportunity to experience firsthand how charisma connects politics with people's emotions. I wondered what makes individuals love or hate politicians and, for professional and academic reasons, why is the role of emotions and instrumental rationality.

Once I started my graduate education in the US, I kept meeting remarkable people. I am immensely in debt with Shigeo Hirano. His patience and mentorship helped me

to learn to navigate in this new world and new culture. Working as a RA for him I learned that there are no weekends in academia. Later in this process I met Ernesto Calvo, who was empathetic enough to help me in this journey of getting a PhD. Only he knows all the patience he needed to have with me in this process. There is a long list of people help me to develop the arguments and models in this dissertation. This includes committee members Isabella Alcañiz, Ethan Kaplan, Mike Hammner and John McCauley. Part of this dissertation was presented at Southeast Latin American Behavior (SeLAB) 1st annual conference took place at Georgia State University in Atlanta, where I received really good comments that improved my research, specially from Liz Zechmeister, Ryan Carlin and Matt Singer. I am also thankful of the support and academic challenge from my classmates Analía Gómez Vidal and Eric Dunford. I am highly likely to miss some of them if I start naming them. I am thankful for their help too. Nevertheless, all the omissions and errors are exclusively mine.

My mother played the role of a mother as well as that of a father. We did not struggled with economic problems but money was not abundant either. I learned early on that I could only grow working by myself on myself. Who would have guess than decades after in the US I would finally understand that “there is no free lunch today”. Thanks to my mother hard work I was able to attend college, a private one, and became the first college graduate in my family. For this, and for everything else, I am thankful for the constant support of Rosina, my mother.

Finally, I want to thank Marcia, my partner in life, for giving me the home and a family that I was longing. Her love, patience and encourage was always warmly received and key to this almost never-ending process.

I dedicate this dissertation to our daughter, Amanda, whose smile fills my life with joy every day.

Contents

Prologue	ii
List of Tables	viii
List of Figures	ix
1 Do economic shocks matter?	1
1.1 Does the economy matters?	1
1.1.1 The (modest) mediating role of partisan identification on perceptions of the economy	2
1.1.2 The (small) mediating role of partisan identification on presidential approval	2
1.1.3 Findings in the US and Latin America	3
1.1.4 An explicit study of partisan mediation on voter expectations	4
1.2 A stylized example	5
1.3 The Problem	9
1.4 The proposed answer	11
1.5 Differentiating from previous research	14
1.6 Scope conditions	16
1.7 Plan of the Dissertation	17
2 The importance of the economy and partisanship	19
2.1 Introduction	19
3 Mediation Analysis and the case of the US	26
3.1 Mediation Analysis	26
3.1.1 The American case	30
3.1.2 Presidential Approval in the US	33
3.1.3 Mediation across time in the US	36
3.1.4 Partisan Mediation across time in the US	36
3.2 Concluding Remarks	38
4 Latin America: a multiparty system in developing economies	41
4.1 Introduction	41
4.2 Descriptive statistics	42
4.2.1 Macro level	45

4.3	Presidential Support	47
4.3.1	Presidential Support and Party Identification	47
4.3.2	Presidential Support and Economic Perceptions	51
4.3.3	Presidential Support and Economic Performance	54
4.3.4	Inferential analysis	55
4.4	Mediation Analysis	57
4.4.1	Disentangle the Mediation: Expectations or Responsibilities .	58
4.4.2	Mediation effect of party identification in Latin America . . .	59
4.4.3	Mediation effect of party identification by countries	61
4.4.4	Mediation effect by type of party identification and countries .	62
4.5	Explaining mediation across countries and years	63
4.6	Discussion	66
4.7	Concluding remarks	68
5	Chile: from democratization to institutionalized democracy	71
5.1	Introduction	71
5.2	The data	73
5.3	Individuals perceptions and attitudes	77
5.3.1	Presidential Support	77
5.3.2	Party Identification	79
5.3.3	Economic Perceptions	83
5.4	The state of the economy	87
5.4.1	Economy and perceptions	89
5.5	Democratic and Society development	91
5.6	Presidential Support	93
5.7	Mediation Analysis	96
5.7.1	The two stages of Mediation	96
5.7.2	Mediation effect across time	101
5.8	Discussion	104
5.9	Concluding remarks	107
6	Conclusions	110
6.1	Does the economy matter?	110
6.2	The Pragmatic Voter	113
6.3	Institutional explanations	117
6.4	Scope and limitations	120
6.5	Practical Implications	121
6.6	The future of this research agenda	123
7	Appendix	125
7.1	Polls questions wording	125
7.2	Endogeneity tests	132
	References	136

List of Tables

3.1	Descriptive Statistics ANES	30
3.2	Presidential Support by Party in the US	31
3.3	Positive Economic perceptions in the US	32
3.4	Presidential Support in the US	33
3.5	Mediation Analysis by stages OLS models	34
3.6	Mediation Analysis by stages and party identification in the US . . .	35
3.7	General Mediation Analysis by stages	37
3.8	Mediated proportion in the US by Presidents and Party Identification	38
4.1	Countries and years analyzed	42
4.2	Latin American Descriptive Statistics	43
4.3	Macro Descriptive Statistics	46
4.4	Party Identification per country	48
4.5	Presidential support and Party Identification preliminary OLS analysis	49
4.6	Positive Sociotropic perception per Party Identification	50
4.7	Positive Egotropic perception per Party Identification	51
4.8	Presidential Support by Party Identification and country	52
4.9	Presidential support and Economic perceptions preliminary OLS analysis	53
4.10	Macroeconomic preliminary OLS analysis	54
4.11	Presidential Support in Latin America	56
4.12	Mediation Analysis in Latin America	59
4.13	General Mediation Analysis by stages	60
4.14	General Mediation Analysis by stages	63
4.15	Mediated effect by country and year	64
4.16	Explaining PId-Gov mediation variation in Latin America	65
5.1	Descriptive Statistics Chilean data	74
5.2	National level indicators	75
5.3	Presidential Support per realms and Party Identification	78
5.4	Party Identification per realms	80
5.5	Presidential Approval and Party Identification preliminary OLS analysis	82
5.6	Sociotropic economic perceptions per presidents	83
5.7	Egotropic economic perceptions per presidents	85
5.8	Presidential Approval and Economic Perceptions preliminary OLS anal- ysis	86
5.9	National Economy per Presidential terms	88

5.10	National economy indicators OLS analysis	90
5.11	Political and Societal variables	91
5.12	Presidential Approval and Institutions preliminary OLS analysis . . .	93
5.13	Presidential Support OLS results	94
5.14	Mediation Analysis Stages OLS	97
5.15	General mediated proportions in Chile	98
5.16	Mediated proportions by partisanship in Chile	99
5.17	CEP Polls per president	101
5.18	Explaining Mediated Proportions across time	103
6.1	Mediated Proportions in the US	113
6.2	Mediated Proportions in Latin America	114
6.3	Mediated Proportions in Chile	116
7.1	2SLS results in the US	133
7.2	2SLS results in Latin America	134
7.3	2SLS results in Chile	135

List of Figures

3.1	Direct and Indirect Effects diagrams	27
3.2	Mediation analysis in the US across time	36
3.3	Mediation analysis by Party Identification in the US across time . . .	37
3.4	Mediation analysis in the US	39
4.1	Economic expectations and responsibility attribution mediation effects	58
4.2	Mediated proportions by country	61
4.3	Mediated proportions by stages, countries and Party Identification . .	62
4.4	Mediation analysis in Latin America	69
5.1	Presidential Support in Chile	78
5.2	Party Identification in Chile	81
5.3	Sociotropic economic perceptions	84
5.4	Egotropic economic perceptions	85
5.5	Chile macro economic indicators	88
5.6	Polyarchy and Civil Society Organization across time	92
5.7	General mediated proportions in Chile by Presidents	98
5.8	Mediated proportions by party identification and Presidents	100
5.9	Mediated proportions across time and Party Identification	102
5.10	Mediation analysis in Chile by stages	108
6.1	Economic expectations and responsibility attribution stages	111
6.2	Party Identification disaffection in Latin America	122

Chapter 1

Do economic shocks matter?

1.1 Does the economy matters?

When voters evaluate the performance of the President, does the economy matters? Party Identification has long been considered a critical determinant of the voter's evaluation of Presidential approval. Partisanship mediates how voters perceive political events as well as the state of the economy, informed by their previous beliefs. As I will show in this dissertation, there are two sources of biases that party identification introduces when voters assess economic performance of both the country and their presidents. First, political parties provide cues that drive partisans to select only some of the information available in their economic and political environments (selective attention). Second, partisan motivated reasoning drives voters to analyze or internalize the information provided in ways that align with their existing political beliefs.

Selective attention and motivated reasoning have been well documented in the literature. Therefore, a consensus developed in the literature with respect to the “blindfolding” capacity of party identification. That is, the capacity of party identification to alter the perceptions that voters have regarding the state of the economy as

well as the role played by the president. Nevertheless, there is little to no empirical research done with respect to how much party identification mediates information selection or vote choice. The literature based their assumptions on a descriptive relationship, but not on inferential analysis. And this is the comparative gap that my dissertation will fill.

1.1.1 The (modest) mediating role of partisan identification on perceptions of the economy

In this dissertation I find that party identification mediates the way individuals evaluate the state of the national economy. This primary finding builds on existing literature on party identification. However, the size and impact of this effect runs counter to general expectations. According to the literature, individuals who feel represented by a political party in office will reward the incumbent for the economic management, despite of a poor performance. On the other hand, individuals who feel represented by a political party in the opposition will punish the incumbent despite of a good economic performance. My findings show that the mediation effect of partisanship is stronger for individuals who feel represented by the political party in office than for those who identify with the opposition. Even for partisans aligned with the government, the mediating effect is modest in the US and rather small in Latin America.

1.1.2 The (small) mediating role of partisan identification on presidential approval

Party identification modestly mediates the way individuals evaluate the economic performance of the seating president. More important, partisan identification also mediates on how voters attribute responsibility for the state of the economy to the

incumbent president. However, the mediating effect is much smaller than comparative scholars have argued in the past. Rather than focusing on the “blindfolding” effect of party identification we should start talking about the mild effect of party identification on the attribution of responsibility for incumbent presidents. By shifting our focus to recognize that who is in power mediates the impact of party identification, we can take new approaches to the study of how the economy and party identification affect political attitudes.

1.1.3 Findings in the US and Latin America

In regards to the cases analyzed in this dissertation, I find no mediation effect on the economic expectations, for either the government or the opposition (economic perception stage). Among supporters of the President, I find a 26% mediated effect of party identification on presidential approval (the responsibility attribution stage), a modest but substantive effect. Among opposition respondents, on the other hand, the mediating effect is a mere 2.3%, showing an heterogeneity in the mediating effect of partisan identification on Presidential approval that has not been properly addressed by the literature.

The mediating effect of partisan identification on economic perceptions and presidential approval is even smaller in Latin America. As it was the case for the US, I find no mediation of partisan identification on the economic evaluations of respondents (economic perception stage). Among partisans aligned with the president, I find a 15% mediated effect of partisan identification on presidential approval (attribution of responsibility stage). That is, the effect in Latin America is approximately half of that observed in the US. Among opposition respondents, the effect is a very small 1.8%.

For the particular case of Chile, analyzed in detail in this dissertation, I find no mediation effect of partisan identification on economic evaluation (economic percep-

tion stage) and a 13% mediated effect on presidential approval. Different from the US case, the effect among opposition respondents is large, a 16% of effect of partisan identification on presidential approval (attribution of responsibility stage).

1.1.4 An explicit study of partisan mediation on voter expectations

In this dissertation I reexamine the assumption that partisans discard or select only favorable economic information in accordance with their own beliefs when evaluating the economy. As noted, I find that party identification has a small to null effect on economic expectation at this stage.

Party identification does not mediate individuals' perceptions of the economy; rather, party identification mediates individuals' evaluations of the incumbent to whom they attribute responsibility for the state of the economy. Party identification has the strongest effect on an individual's perception of the economy when that individual's preferred party is in power. On the other hand, when the party in power is not the individual's supported party, party identification has less of a mediating effect on that individual and their perception of the economy.

Even though presidential support is the key variable in this dissertation, I am more interested in disentangling and explaining the approval process and identifying and explaining what is the actual role of party identification.

Party identification is the most accessible way for individuals to evaluate their political representatives on a constant or regular basis. Elections are also effective, but presidential elections do not happen every month or even quarter. Presidential support works in two ways. It allocates information from the public and also allows the incumbent to adjust or modify their behavior in the short term. Presidential support is the most effective way to interact with the public before the next election.

On the other hand, there is a strong literature and comparative evidence that both voting and popularity are explained by the same sets of variables.

At the end of the day, presidential support is the peoples' voice.

1.2 A stylized example

Oscar, Inga, and Gabriel were high school classmates who had not seen each other since graduation. They meet at their ten year high school reunion. They were close friends in high school, but lost touch in college. As they mingle, they catch up on their lives over the past decade. All three graduated from college or community college, and started a family. Even though they all have stable jobs and are starting promising careers, they describe their overall situations very differently.

Inga has been teaching high school math since graduation. She argues that she has been doing well because she has achieved her childhood dream of becoming a teacher. She does not pay much attention to politics in general and she did not vote in the past presidential election. She argues that your own efforts matter the most and who governs matters very little. In her view, regardless of who is in office, she “will still have to wake up to go to work tomorrow.”

Oscar, an entrepreneur, has his own start-up business coding and developing applications for social media applications. Since he always wanted to run his own company, he chose to study computer science at a community college rather than attending a four-year university. He argues that he has had a few good years with his start-up, but now he is considering closing the company and getting a regular office job, because “it is impossible to succeed anymore with this economy and this government.”

Gabriel is an arts and literature graduate who works as a freelance writer for a prestigious digital newspaper. After graduation, he struggled to find a job but was able to get his current position after the new government started to support liberal

arts topics again. When Gabriel reports on politics, he struggles to separate his support for the current government from his reporting. So far, his professionalism has helped him to set aside what he describes as the “facts from his own beliefs.”

This vignette illustrates three ideal types of hypothetical individuals. Oscar opposes the current administration and blames them for the current state of the economy in the country. Inga believes that politics has nothing to do with her well-being or life in general and identifies as an independent. The last example is Gabriel, who identifies with the political party in charge, and considers the government responsible for his own well-being.

These hypothetical characters are similar to theories of how individuals behave when evaluating the incumbent or generate political attitudes and evaluations in general. Some individuals identify with political parties; some do not. Some individuals assign responsibility to the government for their own or national economic situation and others do not. These characteristics tend to interrelate with each other. As I will discuss later in this dissertation, generally speaking, those who do not identify with a specific political party do not assign much responsibility to the government for the domestic economy. On the other hand, those who feel represented by a political party do assign responsibility to the government for economic conditions. Individuals also react differently: those who feel represented by a political party in office reward the incumbent for the economic situation and those who are in the opposition punish the incumbent.

The majority of evidence collected from the United States and other industrialized democracies supports the situation described above. The descriptive statistics of almost any country show the same pattern: presidential support is higher for those who feel represented by a political party in office than for those who do not feel represented by any political party. Presidential support of those who feel represented by a political party in the opposition is lower than the other individuals.

At the same time, economic perceptions follow a similar trend. Those who feel represented by a political party in office perceive the economy to be in better shape than individuals who do not feel represented by any political party at all. The poorest evaluation of the economy is held by individuals who feel represented by a political party in the opposition.

The key difference between those who feel represented by a political party from those who do not is that, in general, they also hold the government responsible for the state of the economy, for better or worse.

This mechanism was first analyzed in the US context. In this dissertation I use the US case to illustrate a mechanism that has been studied over the past 50 years. I am also able to replicate these findings using the “American National Election Studies” (ANES) from 1980 to 2016, and found that the same patterns continue to hold in recent years. Those who feel represented by a political party in office reward the incumbent, and those who feel represented by a political party in the opposition punish the administration.

As I will describe and discuss later, in the US case, scholars assume that the effect of party identification was constant or similar across parties; however, my findings show that being in office is different from being in the opposition. Republicans and Democrats punish and reward the incumbent in different magnitudes depending on whether they are in office or not.

The stability of the American bi-partisan political system sets the US case apart from other cases. A stable party system is not the norm in the rest of the Americas or Europe. Under an almost immobile bi-partisan system, individuals can more clearly and easily assign responsibility since one of the two main political parties is either in office or in the opposition.

In this dissertation I study whether the patterns identified in previous research, which was mostly based on data from the US and industrialized democracies, also applies to presidential support in Latin America in general and in Chile in particular.

This research project faces two challenges. The first is the most basic issue for any comparativist. Why would I expect that a model or paradigm based on a specific set of political and social institutions will also function in different circumstances? Simply put, I do not. My objective goes beyond merely replicating a 50 year old puzzle using a different set of cases. Rather, this dissertation replicates the traditional approach in order to analyze and explain the effect of party identification on economic perceptions.

I analyze 17 Latin American countries over the past 12 years and the Chilean case from 1990 to 2017. Latin America presents interesting cases for two reasons. First, the region as a whole is comprised of newly emerging democracies, with different paths and cases of success and failure. Second, Latin American countries also present different economic and political institutions and levels of development. Drawing on these cases, I explain under what different combinations of characteristics party identification has a bigger or smaller effect.

The Latin American cases set the big picture in which to situate the case study of Chile. The Chilean case has one of the most successful cases of democratization and economic and political development in the region. Using data that encompasses the transition to democracy in 1990, I am able to have a better understanding of how the theorized mechanisms develop under different levels of political and economic development.

Additionally, Chile's economic development trajectory is an important contrast with the US and the Latin American cases. In the US, economic and political development levels have been stable or constantly improving over the past 40 years. Similarly, development levels in the regional Latin American cases generally range from medium to high during the time period of this study.

Analyzing Chile beginning in 1990 helps me understand what happens with partisanship and economic expectations under conditions of 10% unemployment, 30% inflation rates, and legacies of nearly two decades of authoritarian rule. The availability of reliable and comparable data across countries and years is another reason to include these cases.

In addition to variation in economic development levels and regime type history, the multiparty system in the Latin American cases poses another key difference from the US case. In the Latin American cases, different party systems and electoral laws combine to generate a variety of coalitions and majorities. I hypothesize that under multiparty systems individuals face different challenges to assign responsibilities over particular political parties and this responsibility is diluted when individuals evaluate a coalition government.

Should we expect to observe dynamics in Latin America that are similar to the US case? I expect to find similar patterns, or coefficients in this case, when explaining the effect of party identification and economic perceptions on presidential support. At the same time, I expect to have different levels of strength or mediation of party identification on economic perceptions. I hypothesize that these differences are primarily due to differences between the political systems, and in particular, due to the differences between the party systems. In addition, differences in democratic development and economic development influence the strength of party identification's mediating effect.

1.3 The Problem

For decades, researchers of voting behavior and presidential support argued that since the effect, or impact, of party identification on these variables was stronger than the impact of economic evaluations or perceptions, party identification actually led

to or mediated the way individuals perceived the state of the economy. Descriptive statistics, as I present and discuss in this dissertation, support this. Positive economic perceptions and presidential support are always better or higher among those who feel represented by a political party in charge, and poorest among those who feel represented by a political party in the opposition.

My argument questions the assumption that party identification “blindfolds” individuals (using the coined term coined in “The American Voter” in 1960 (Campbell et al)), against other political attitudes and perceptions. First, I argue that this is a huge assumption to be established solely from descriptive statistics and, second, this is a statement that was simply kept, repeated, and quoted over decades without being questioned, challenged, or even proven empirically.

In this dissertation I begin by replicating the traditional or classic method of analyzing presidential support and test the effects of party identification and economic perceptions. By identifying and measuring the ability of party identification to mediate individuals’ political perceptions, I challenge the assumption that party identification actually “blindfolds” individuals.

I use the US case as a base or comparison parameter for the analysis of Latin America and Chile. Not because I think that the US case should be the used as a norm, but simply because this research began in the US and the US continues to be the most frequently studied case.

I hypothesize that I will find explanations for presidential support in Latin America that are similar to demonstrated evidence from the American and European cases. However, I also expect to find different levels of party identification mediation effect. This expected difference is due to the fact that the political system, and the party system in particular, are different in Latin America and Chile than the US.

Multiparty systems present different challenges to politicians and the electorate. Politicians have the incentive to promote political coalitions to create political majori-

ties, a dynamic absent in two party systems. When coalition politics are the norm, it is more difficult for individuals to assign responsibility to specific individuals or parties, as they must differentiate between coalition members. I hypothesize that the mediation effect is diluted due to multiparty politics.

I also hypothesize that the actual paradigms, to punish or reward the incumbent due to their economic performance and the responsiveness of the individuals, explain both the variation of the mediation effect of party identification. As I will demonstrate later in this dissertation, the effects for those who feel represented by a political party in power are not equivalent to the effects for those who align themselves with the opposition. Rather, we will see that those who feel represented by a political party in power assign more responsibility to the government than do those in the opposition.

1.4 The proposed answer

I do not challenge the effect of party identification over economic perceptions when explaining the electoral choice and the popularity of the president (known as the Vote-Popularity Function). I provide confirming evidence in support of previous comparative studies.

I argue that if party identification mediates economic perceptions, or other political perceptions and attitudes, it does so in a marginal way. However, this marginal effect does not reach the levels that scholars previously assigned to the "blindfolding" effect.

My answer is based on a conceptualization or definition of individuals in general and voters in particular that is more complex and comprehensive than in the existing literature. In my theory, individuals are not mere rational actors who seek only to minimize costs and maximize benefits, nor they are zealots partisans who blindly follow party leaders. Instead, I hypothesize that individuals are interested in their

own personal well-being beyond their economic situation. At the same time, following MacKuen et al (1992), I argue that individuals behave more like “bankers” than “peasants.” Also, individuals in post-modern societies want to fulfill post-modern needs that extend beyond short-term economic issues, such as inflation and unemployment.

Under this conceptualization of individuals, a voter is closer to an Aristotelian “zoon politikon.” This interpretation emphasizes that the process of generating political attitudes is much more complex than simply reacting to environmental incentives such as macroeconomic indicators or party identification.

I argue that individuals consider variables and indicators beyond the traditional approach. Individuals also get involved. This is where the responsibility assumption comes into play with responsiveness. Individuals demand more and more from the political system in general, and from politicians in particular. Individuals feel they deserve more because they got involved in politics by the mere act of voting or simply proclaiming a political belief on social media platforms.

Individuals think that they deserve a response from the system because they feel they are an active part of the political process. Importantly, today’s voters define political participation in a very different way than voters 30, or even 10, years ago perceived political participation.

Political participation is no longer circumscribed to traditional actions, such as party membership, voting, or participating in public demonstrations. Now, individuals are more likely to consider any instance of expressing political attitudes or preferences as political participation. This may include turning out to vote, as an example, but also updating a blog or merely “re-tweeting.”

I argue that this new conceptualization of political participation and mobilization also modifies the responsiveness expectation. Because individuals are involved in different ways, they also react differently. For decades, the effect of party identification

was assumed to be similar on both sides of the aisle. Researchers assumed that if you behaved in a particular way as a partisan in power, you would react diametrically opposite when your party is in the opposition.

The previous assumption may have made sense in a bipartisan political system, as in the US, but as I show in this dissertation, that has actually not been the case in the past 40 years in the US. Additionally, the Latin American and Chilean cases, where multiparty systems are the norm, challenge this assumption even further.

I argue that those who feel represented by a political party in office feel more “responsible” for the outcomes of the administration. On the other hand, those who feel represented by a political party in the opposition do not necessarily blame the administration for all the bad things that happen in the political arena. This approach differs from the traditional study of party identification, which argues that once an individual feels represented by a political party in office, they will reward the incumbent because they will select information that simply confirms their own beliefs. Meanwhile, the exact opposite effect will happen to those who feel represented by a political party not in charge.

Partisans, in power or in the opposition, assign responsibility differently, because they feel differently involved with the administration. This explains why those who feel represented by a political party in charge “over-reward” the incumbent, but those who identify with by a party in the opposition only blame, but not exaggerate, the incumbent for what they consider a poorly managed administration.

Ultimately, I argue that the higher expectations individuals who support the political party in power assign to “their” government lead them to over-reward the incumbent. Meanwhile, those who feel represented by a political party in the opposition do not have high expectations. The different expectations that individuals who feel represented by an incumbent political party and individuals who feel represented by an opposition political party explain the varied effect of party identification

on presidential support and also the mediated proportion of party identification on economic performances.

1.5 Differentiating from previous research

Previous research on the role of party identification assumed that party identification is an alternative explanation or paradigm that explains the way individuals generate political opinions and attitudes. In short, researchers studying partisanship stated that since party identification was a characteristic that emerged in early stages of political socialization, it remained immobile and that, at the same time, party identification could explain all of an individual's political attitudes and perceptions. Another field of research argues that individuals are rational actors who react to incentives and information from the political environment and constantly update their preferences. These starting points are two different pair of glasses through which to view the political world.

I argue that using both approaches is a more appropriate way to study and explain politics. I do not conceive of one paradigm as an alternative or replacement of the other one; rather, this dissertation's findings support combining these two approaches. In some cases individuals worry more about their own immediate economic well-being, and in other cases, individuals consider factors or variables beyond the immediate political environment and incorporate variables, such as political institutions, which may affect not only their own life, but also the future of their society as a whole.

I challenge the superiority of the party identification paradigm by starting at the foundations of the assumption and measuring and identifying whether there is a mediation capacity at all or not. After identifying the assumed mediation capacity of party identification, I continue to measure its variance across time and also across different countries.

I begin with the US case not as a primary case of the study, but in order to identify a starting line and initial point of comparison. I do this by analyzing the ANES surveys from 1980 to 2016. This analysis hinges on the two main characteristics of the American case at this time period: a strong and stable bipartisan political system and developed economic and democratic institutions.

I then continue the analysis using LAPOP survey data for 17 Latin American countries from 2006/2008 to 2016. In this regional analysis, I go beyond the analysis of the American case by identifying and measuring the mediation effect of party identification over economic evaluations. I explain these by using economic and political institution development variables from the World Bank and the Varieties of Democracy project.

The last step is an analysis of the Chilean case from the return to democracy in 1990 to the year 2017. This analysis uses data from polls conducted by the “Centro de Estudios Públicos (CEP)” think-tank. In the Chilean case, I once again lay the foundation of the analysis by identifying and measuring the mediation capacity of party identification. I then extend the analysis by explaining the variation of the mediation capacity of party identification by using economic and political development indicators.

By incorporating the Latin American and the Chilean cases with extensive findings built on the American case, I am also expanding the scope and conditions of my findings. There are two main characteristics from these cases that made them so attractive: a) they have different levels of economic and political development, and b) they also differ from the US party system. In Latin America, a multiparty system is the norm. I will return to the scope and conditions of my findings in later in this chapter.

In addition to advancing the existing arguments by incorporating new, expanded comparative evidence, this dissertation challenges the main paradigms by identifying

and explaining their actual explanation capability - adding empirical evidence to mechanisms that until today were only theoretically assumed.

I also add to the theoretical debate the issue of the importance of responsibility attribution when differentiating between the effect of party identification for those who feel represented by a party in charge and those who do not. The existing literature simply argues that those who feel represented by an incumbent political party, any political party, assign responsibility to them. Instead, I argue that attribution or assignment of responsibility differs among partisans.

1.6 Scope conditions

This dissertation introduces evidence that party identification and economic evaluations and expectations can explain vote intention and presidential support, even in widely different contexts. I find that party identification actually plays a role in mediating economic perceptions, but in a smaller way than existing studies had previously assumed. Instead, I show that party identification, on average, mediates around 20% of the variation of economic evaluations and perceptions, which is far from the large impact assigned to it by the “blindfolding” theoretical assumption.

This dissertation’s second main finding is that party identification’s mediating effect is different for those who feel represented by a political party in office from its mediating effect for those who identify themselves with the opposition. In addition, this variation can be explained by different levels of economic or democratic development.

The scope conditions and limitations of the power of the Vote-Popularity (V-P) function can be expanded to include cases beyond the US and European industrialized democracies, such as the Latin American case, where different economic and political institutions exists.

While my findings support the argument that these principles can apply across more cases than previously assumed, I recognize that this may not explain the entirety of world cases. Political and economic dynamics unique to cases in the Middle Eastern, African, and Asian regions may not track with these general findings. However, I expect that cases in the Middle East, Asia, and Africa would be more likely to resemble the trends I identify in the Latin American cases than the existing theories based on the unique cases of the US and Western Europe. In other words, this dissertation's emphasis on the importance of economic and political development conditions allows us to expand the application of existing theories to other regions of the world.

In this dissertation I analyze and study democratic regimes, mainly due to the availability and access to reliable data. Yet little is known about these dynamics in autocratic regimes. The Latin American analysis includes countries and years where both economic and democratic institutions were weak, but those low levels do not classify them as autocratic regimes.

I acknowledge that this dissertation expands the scope conditions of previous findings, and I rejoice in the fact that these findings also shades light on the limits of the theory.

1.7 Plan of the Dissertation

This dissertation has six chapters. I start by presenting my puzzle and relationship to the previous research and comparative evidence in Chapter II. Chapter III has two objectives: first, to introduce mediation analysis and second, to analyze the US case in order to set a comparison for following sections.

Chapter IV begins the empirical analysis with the Latin American case and identifies and describes the big picture of this dissertation. Chapter V details the Chilean

case, in which I analyze thirty years of a recently democratized country with various levels of economic development.

Chapter VI gathers and discusses the findings from Chapters IV and V. I also revisit discussions introduced in Chapter II, going back and forth with respect to the previous comparative evidence and theoretical findings. Chapter VI concludes the dissertation by answering the research objectives and identifying new and forthcoming research challenges.

Chapter 2

The importance of the economy and partisanship

2.1 Introduction

Existing public opinion literature argues that the general public reacts to changes in the national state of the economy but this reaction differs between partisans. According to the convenience of available information, Partisans may discard or prefer positive or negative information when making decisions about supporting the incumbent.

Following this, those who feel represented by or sympathize with a party in the opposition will find any excuse to disapprove of or reject the group in charge, regardless of the identity of that group. Descriptive statistics support this, illustrating that voters of different party persuasions hold different perceptions, opinions and attitudes. Yet this leaves open the question of the extent of the effect of economic performance on presidential support. How much of this is mediated by party identification?

Party identification and economic perceptions have a significant, direct effect on presidential support, but preliminary analyses show that party identification has only

a limited mediating effect. The objective of this dissertation is to explain that effect, and more importantly, explain the wide variation of this mediating effect across different countries in Latin America.

This dissertation incorporates new elements and alternative explanations in the study of how party identification works as a “perceptual screen” for the electorate. The effect has long been assumed to be constant or similar across different groups of individuals and across different political institutions. In contrast, I analyze how different individuals and institutions affect the way party identification works to “blindfold” the perceptions and attitudes of voters. Using presidential support as a dependent variable, and sociodemographics, economic, and political perceptions and economic indicators as independent variables, I first describe how this mechanism works, and then proceed to explain the determinants of such variation.

At least two competing theories explain the determinants of vote intention: either individuals generate political beliefs in the early stages of socialization, or individuals continuously update their preferences with new information. In general, these paradigms are known as the Michigan and Rochester schools respectively.

The Bartels (2010) summary of studies of political preferences and political behavior explains that a group of researchers, led by Lazarsfeld and Berelson (1954), found that individuals generate their political preferences in the early stages of life and socialization, and imitate the preferences of close or important referents.

In an alternative approach, Anthony Downs (1957) incorporated game theory and claimed that the electorate reacts to different platforms from candidates and politicians. Ultimately the Downs (1957) study describes a new kind of relationship between citizens and political leaders. Both actors interact in an environment similar to a marketplace, where the laws of supply and demand apply. In contrast to the stable and halfhearted political arena described by Lazarsfeld and Berelson (1954),

in the Downs (1957) model, actors update and modify their preferences repeatedly, generating a politically dynamic market.

Campbell et al (1960) presented one of the most long-lasting findings about political preferences. Campbell et al argue that political preferences are persistent over time, or “sticky”. These researchers found that identification with a political party has not only the strongest effect on political preferences, but also the most lasting effect over time. This implies that individuals who feel represented by a political party can be “blindfolded” with respect to information and stimuli from the environment. Instead, individuals pay particular attention to information that supports and reinforces their own preferences, and discard information that contradicts previous beliefs. Key & Cummings (1966) describe this process as an “echo chamber”, since both individuals and politicians only talk to or interact with those who already support each other or think alike.

Following this rational approach, researchers also found that the state of the economy plays a huge role in the evaluation of political authorities. Key & Cummings (1966) explain that individuals respond to personal economic conditions rather than general or national economic conditions. Kinder & Keiweit (1979), however, argue in favor of the opposite.

The discussion of electorate behavior hinges on two axes of contention. Do voters behave in a sociotropic or egotropic manner (Tufte (1978), Fiorina (1981))? Similarly, are voters more likely to adopt myopic or farsighted approaches? These debates have continued for decades, with evidence presented on all sides. MacKuen, et al. (1992) found support for the hypothesis that, primarily, individuals behave in a sociotropic manner and adopt farsighted approaches rather than acting myopically with consideration only for their personal economic situation.

A new line of research led by Nannestad & Paldam (1994) and Lewis-Beck & Paldam (2000) finds that previous research can be summarized in what they called

the vote-popularity function: both vote intention and presidential support can be explained by two sets of variables, both long and short term variables, such as party identification and economic perceptions. Nevertheless, they do not discuss how these variables interact, or which variable plays a more important role in individuals' information processing. An important argument of this research is voters include their perceptions of the state of the economy when considering incumbent competence (Erikson, et al. (2002)). Individuals update their preferences and political evaluations considering information from the political and economic environment.

Party identification has returned as an explanatory variable in more recent studies. Research by Aldrich (1995), Alesina et al (1997), and Green et al (2002) on the role of party identification has been reevaluated. Party identification provides individuals with information shortcuts, or labels, when they want to consider political information. Political parties facilitate and reduce information transaction costs between individuals and professional politicians, and also work as social identity, helping individuals, and partisans in particular, to feel represented and a part of a collective that shares a set of beliefs and principles.

Multiple studies have demonstrated the strength of the effect of party identification over different political perceptions and attitudes over time. In 2008, Lewis-Beck, Jacoby, Norpoth & Weisberg replicated "The American Voter," a key study conducted more than 50 years before, and consistently concluded with updated data that "political party is a crucial mediating force. It does not have to be invoked directly in order to be effective" (p. 116).

The replicated analysis was consistent across years, decades, and even elections. The study provided evidence that the relationship originally identified in 1950 continued to hold in 2007. They stated that "party identification also leads to internal consistency in the person's field of partisan attitude. After all, partisanship serves as

a “perceptual screen” that affects how the citizen perceives political objects” (Lewis-Beck et. al. 2008, p. 119).

Most of these studies use American voter data. It was not until the end of the 80’s that Lewis-Beck (1988), Duch & Stenvenson (1997), and others replicated these studies in other advanced democracies. The study of political preferences in Latin America did not get the attention of researchers until recently ¹. Nevertheless, these expanded, comparative studies all relied on models and paradigms that originated in and were empirically tested in the US. Unsurprisingly, this new body of research produced findings with similar results.

The main assumption that partisans are blindfolded was found in the early 50’s and has been systematically supported and upheld by various studies over the years. The research studies mentioned above all assume that party identification carries the strongest effect under any specification, and these results have been empirically replicated over time. However, knowing that party identification has a constant effect across time does not necessarily mean that party identification blindfolds the electorate in general and partisans in particular.

Most of the aforementioned research shows that party identification and sociotropic perceptions are the most significant variables when studying political perceptions, vote intention, and presidential support. But the actual mediation capacity of party identification has not been tested empirically with inferential analysis. Existing evidence is strong and consistent, but this does not necessarily mean that “blindfolding” of the electorate is constant. The main purpose of this dissertation is to empirically test the level of blindfolding among partisans, and to identify the conditions under which this effect is most likely to occur.

¹Alcañiz and Hellwig (2011), Lewis-Beck and Ratto (2013), Carlin et. al. (2015), Lupu (2011, 2013, 2015, 2016) Cabezas (2016), Murillo and Visconti (2017), and the recently published book “Latin American Elections” by Nadeau et. al. (2017)

The V-P function has been studied in diverse societies, including cases with varying party systems, and different political institutional designs, such as presidential systems and the Westminster model. The function has generally been studied in open economies, in which the responsibility assumption is diluted. Following the findings of Duch & Stevenson (2008), Hellwig & Alcañiz (2011), Hellwing & Samuels (2007a & 2007b), I expect to find lower levels of party identification mediation capability in multiparty systems due to the challenge the electorate faces in identifying one individual or political party as the sole party responsible for the state of the economy.

In this dissertation I also bring together another set of theories and comparative evidence related to the development theory. I argue that under different levels of development, political institutions in general and party identification in particular will play different roles. I hypothesize that higher levels of development will be associated with higher levels of political involvement, and party identification may have a higher effect in more developed societies.

I base my hypothesis on the following discussion. Democratic development and consolidation provide both material and symbolic improvements in individuals' quality of life. The relationship between economic development and political regime, despite mixed findings in both directions, demonstrates that in the medium- and long-term democratic regimes deliver improved material conditions and quality of life for a majority of the population ².

Although the evidence in terms of macroeconomic performance is substantive and robust, different studies illustrate that perceptions and levels of satisfaction do not necessarily follow the same economic and political path. Inglehart (1981 & 1997) argue that as societies modernize, societies initially demand basic principles of freedom

²The literature analyzing regimes and development is vast. For a review of it see Lipset (1959), Przeworski (1991, 2000, 2003 & 2005), Przeworski et al., (1996 & 2000); Przeworski and Limongi (1993), Boix (1998 & 2003) and Stokes (2001)

and security. In societies that already provide these minimum protections, individuals make new demands on the society and the political system.

In other words, Inglehart identified a society that makes demands beyond the minimum survival needs. This relationship between economic and political development is also linked to a change or development of immaterial needs that individuals require. Following this argument, development brings new challenges and needs to societies, which is a luxury for societies that have already met their basic material needs. This implies that once individuals' minimum material needs are met, they will be able to worry about or pay attention to politics.

The previous theoretical discussion identifies the relevant and pertinent research related to this dissertation. Constant dialogue with existing theories expands the scope of this dissertation's findings. This dissertation is an innovative approach that incorporates previous research of varying conclusions and also leverages new methodological tools in an under-studied region.

Chapter 3

Mediation Analysis and the case of the US

3.1 Mediation Analysis

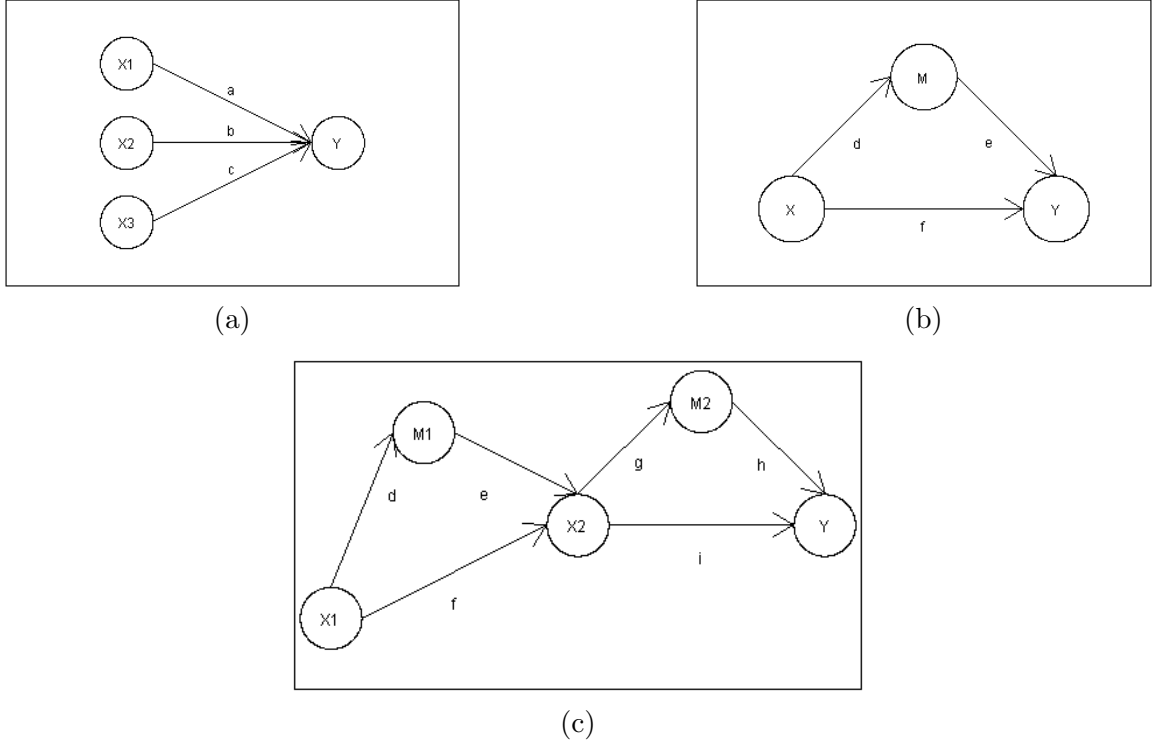
The traditional regression analysis assumes that a set of independent x 's affect a dependent y . Or simply put, $y \leftarrow X\beta$. But, following the Gauss-Markov assumption of identification, all the x 's have a direct effect over y , independent of each other.

Mediation analysis assumes that one variable affects or intervenes in the way another independent variable, the mediator, impacts an outcome or dependent variable.

As shown in figure 3.1 *a*, classic regression analysis measures pure direct effects; however, as shown in figure *b* in the same plot, mediation analysis assumes that one or more variables have a direct effect and that there is an indirect effect, which another variable mediates.

Mediation analysis measures the direct effect of an independent variable over a dependent variable, and the indirect effect of a variable that intervenes on that path. More precisely, following Iacobucci, “a mediation structure posits a particular conceptualization through which an independent variable might affect a dependent

Figure 3.1: Direct and Indirect Effects diagrams



variable - not directly, but rather through an intervening process, captured by a mediator variable” (2008, p. 1).

While researchers generally refer to this as a causal effect, I choose to not use that term. In this dissertation, I analyze observational data and not data generated through an experimental design (Gerber, Green and Kaplan, 2004); therefore, my analysis quantifies simple effects, not causal effects.

Generally speaking, mediation analysis first identifies the relationship between the so-called mediator and an independent variable, using function 3.1. The second step measures the full model, using function 3.2. After the indirect a and direct b effect are identified, the mediated effect is measured by obtaining the proportion of coefficients a and b . The last step is to identify the total effect, or c' (Hayes, 2013 & 2017 and VanderWeele, 2015).

It is important to highlight that mediation analysis is not necessarily a complex estimation from an econometric point of view. Rather, its complexity arises from the research design and posterior data interpretation. This is a mechanism that allows researchers to identify and gauge direct, indirect, and total effects over a dependent variable. This is not considered when analyzing a complete pooled model, since it assumes that all the covariates $X\beta$ affect directly an outcome Y .

The following equations show the mediation process. Equation 3.1 represents the mediated model, where the mediator variable is used as a left hand side variable or dependent variable. Equation 3.2 estimates the full model, which includes the mediator as a right hand side variable.

$$M = \beta_i + aX + \epsilon_1, \quad (3.1)$$

$$Y = \beta_3 + c'X + bM + \epsilon_3, \quad (3.2)$$

Probably one of the most challenging aspects of mediation analysis is related to its assumptions or requirements. Following both Iacobucci (2008) and Hayes (2013 & 2017), three requirements need to be fulfilled in order to run this type of analysis. In line with Baron & Kenny (1986), there should be a correlation, or rather concomitant variation, between the variables included in the mediation, which is present in this case.

The second requirement is more theoretical than empirical, and is related to the timing or sequence of events. According to the authors, one needs to analyze a sequence of events that follow one another in time. Theoretically speaking, a mediation has to precede the relationship analyzed.

Following the main theoretical discussion, I argue that the first event is an individual's affiliation, adhesion, or sympathy with a political party. Following existing theories, I argue that political socialization occurs in the early stages of life. In this

case, exposure to economic stimuli happens on a regular basis, in the same way that the electorate updates their preferences and attitudes, which in this case is measured by presidential support.

The third and last requirement is also theoretical rather than empirical. This requirement, the elimination of other possible explanations, is more challenging to support. Due to the limitations of the pure observational data used in this dissertation, I cannot completely rule out alternative explanations. Ruling out alternative explanations is not my primary objective; rather, I propose an alternative explanation based on the findings presented here.

A body of research discounts both the relevance and scope of mediation analysis. Gerber & Green (2012) devote an entire chapter to the discussion of the pertinence of mediation analysis. One of their main points is that as mediation analysis generally uses observational data, as in this study, mediation analysis can exaggerate effects. Researchers using mediation analysis should thus take this into account and avoid relying completely on the size and scope of the effects described by the mediation analysis. I take this warning into consideration when considering the limitations of this study's findings.

In this dissertation I identify and measure whether or not party identification mediates economic perceptions. I argue that party identification does not mediate the way individuals perceive and evaluate the economy, but rather mediates the perception of the economy at a second stage. I hypothesize that party identification mediates individuals' evaluations of the economy at the responsibility attribution stage.

From a more econometrical or computational perspective, in this dissertation I use the “mediation” package on R created by Tingley, Yamamoto, Hirose, Keele & Imai. Using this package has two advantages. First, it is easier to integrate with multilevel models, which all three empirical chapters use. Second, the package incorporates simulations in order to compute confidence intervals and introduce some noise to the

analysis. This helps me and the reader understand the point to which the results hold.

In the next section I use the ANES data to analyze the US case (1980 - 2016) and thus introduce the mediation analysis.

3.1.1 The American case

As an example of mediation analysis, I analyze presidential support in the US for the past 40 years using the ANES results. In addition, as I discuss later, as most of the previous evidence was based in the US, this analysis also provides a base line, or comparison parameter, for posterior results.

Table 3.1: Descriptive Statistics ANES

Variables	N	mean	sd	min	max
Year	29,743	1,999	12.00	1,980	2,016
Approval	29,743	0.560	0.496	0	1
Female	29,743	0.534	0.499	0	1
Aget	29,743	3.677	1.738	1	7
Eduacion	29,743	4.199	1.548	1	6
Retrospective	29,743	-0.145	0.800	-1	1
Retrospective Positive	29,743	0.258	0.438	0	1
Retrospective Negative	29,743	0.403	0.491	0	1
Prospective	29,743	0.0860	0.714	-1	1
Prospective Positive	29,743	0.302	0.459	0	1
Prospective Negative	29,743	0.216	0.411	0	1
Democrat	29,743	0.378	0.485	0	1
Republican	29,743	0.264	0.441	0	1
Party Identification	29,743	0.0143	0.802	-1	1
Unemployment	29,743	0.0644	0.0146	0.0400	0.0970
Inflation	29,743	0.0361	0.0233	0.0180	0.124

Source: ANES - <https://electionstudies.org/data-center/>

Table 3.1 shows descriptive statistics from the mediation analysis of the US. This includes polls conducted since 1980, with 15 different measurements in total.

The average presidential support for the period is 56%. 53% of the respondents are women. The average age category is 3.6, which means that the average age is

between categories 3 and 4, 35-44 to 45-54 years old. Average education level is 4.2, which means “12 grades, diploma or equivalency plus non-academic training”.

26% of the respondents evaluate the current economic situation as worse than 12 months ago, while 40% consider it better than 12 months ago. On the other hand, 30% of the respondents expect that the economy will be worse in one year, while 22% believe the national economy will improve.

38% of the respondents identified themselves as weak or strong Democrats, while 26% of the respondents identified themselves as weak or strong Republicans. Almost 35% of the respondents identified themselves as Independents-Independent or Independent-Partisans.

Table 3.2 shows that presidential support is unevenly distributed across party identification. Almost 87% of those who feel represented by a political party in office support the incumbent. Around 54% of those who identify themselves as independent also positively evaluate the president. Nevertheless, the biggest difference occurs in those who feel represented by a political party in the opposition.

Table 3.2: Presidential Support by Party in the US

President	Party Identification			Total
	Opposition	Independents	Government	
Republican	0.3087	0.5489	0.8665	0.5417
Democrat	0.2075	0.5319	0.8691	0.5734
Total	0.2603	0.5393	0.8682	0.5597

Source: ANES - <https://electionstudies.org/data-center/>

Even though the average presidential support among individuals who identify with a political party in the opposition is 26%, half of the average presidential support, the evaluation among Democrats and Republicans is quite different. When in opposition, Democrats punish Republican presidents at a higher rate - almost 50% bigger - than Republicans punish a Democratic president. This difference does not exist when Republicans and Democrats reward “their” president.

Table 3.3: Positive Economic perceptions in the US

President	Party Identification			Total
	Opposition	Independents	Government	
Retrospective perceptions				
Republican	0.1026	0.1620	0.2892	0.1730
Democrat	0.1744	0.2881	0.4602	0.3230
Total	0.1370	0.2335	0.4008	0.2581
Prospective perceptions				
Republican	0.2328	0.2472	0.3667	0.2732
Democrat	0.2297	0.2665	0.4431	0.3235
Total	0.2313	0.2582	0.4166	0.3018
Source: ANES - https://electionstudies.org/data-center/				

There are two salient characteristics in Table 3.3. First, on average, prospective perceptions are more positive than retrospective evaluations. On the other hand, positive economic perceptions vary with respect to whether individuals feel represented by a political party in office or in the opposition. The difference between having a positive evaluation of the current economy with a Republican president is almost half as likely as with a Democratic president (17% versus 32%). Meanwhile, the gap between positive expectations of future economic situations is just 5 percentage points between Republican and Democratic administrations.

I have illustrated that that presidential support and economic perceptions are affected by party identification. Further, the effect changes if an individual feels represented by a political party, and more importantly, the strength of that effect depends on whether or not that party is in office. The next section analyzes the traditional presidential support model. I then analyze the mediating effect of partisanship on economic perceptions.

3.1.2 Presidential Approval in the US

I now replicate the traditional V-P model, using sociodemographics, party identification, and economic perceptions, all at the individual level, to explain presidential support. I also incorporate variables at the national level, such as inflation and unemployment rates. Due to differences in the units of analysis I use a multilevel approach.

Table 3.4: Presidential Support in the US

	Presidential Support
Female	0.016*** (0.005)
Age	-0.011*** (0.001)
Education	-0.010*** (0.002)
Retrospective (-1 0 1)	0.164*** (0.003)
Prospective (-1 0 1)	0.047*** (0.004)
Party Identification (-1 0 1)	0.259*** (0.003)
Unemployment	-1.087*** (0.171)
Inflation	-1.440*** (0.154)
Year	-0.006*** (0.000)
Constant	13.087*** (0.586)
Observations	29,743
Number of presidentn	6
Rho	0

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Table 3.4 shows that the presidential support in the US is explained primarily by the party identification variable, followed by retrospective evaluation of the economy. The estimated betas for the state of the economy are, as expected, both negative.

Nevertheless, I argue that there is a mediating effect of party identification on the effect of the economy and the perception of it. Table 3.5 shows the regression models used to do the mediation analysis by stages.

The first two columns of table 3.5 show the results of the direct and indirect regressions to analyze the economic expectation stage of the mediation analysis. Columns 3 and 4 show the regressions analyzing the mediation effect for the responsibility attribution stage.

Table 3.5: Mediation Analysis by stages OLS models

	(1)	(2)	(3)	(4)
	First Stage		Second Stage	
	Retrospective	Party Id	Approval	Party Id
Party Id	0.244*** (0.005)		0.261*** (0.003)	
Unemployment	-1.632*** (0.352)	1.752*** (0.396)		
Inflation	-11.906*** (0.683)	-3.680*** (0.714)		
Retrospective			0.167*** (0.003)	0.260*** (0.006)
Prospective			0.046*** (0.003)	0.102*** (0.007)
Constant	0.350** (0.169)	0.065 (0.072)	0.568*** (0.015)	0.081 (0.069)
Observations	29,743	29,743	29,743	29,743
Number of presidentn	6	6	6	6
Rho	0.251	0.0356	0.00827	0.0472

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Table 3.6 shows the direct, indirect, and total effects and the mediated proportions on both stages of the mediation process, the economic expectations stage, and the responsibility attribution stage, as computed from the results in table 3.5.

Table 3.6 introduces and presents the results computed with the mediation package. The package authors labeled the mediated effect as the “Average Causal Mediated Effect (ACME)” and the direct effect as the “Average Direct Effect (ADE)”.

Even though the “mediation” package authors included the “causal” concept in their notation, I reemphasize that in this dissertation there are no causal effects, due to the nature of my data, which is simply observational data.

Table 3.6: Mediation Analysis by stages and party identification in the US

Estimation	Economic Expectations Stage	Responsibility Attribution Stage
ACME	0.7306	0.0672
ADE	-34.8776	0.1629
Total Effect	-34.1470	0.2301
Proportion Mediated	-0.0167	0.2919
Sample Size Used: 29743		
Simulations: 100		
Signif. codes: 0 *** 0.001 ** 0.01 *		
Note: computed using R mediation package		
Source: ANES - https://electionstudies.org/data-center/		

According to the results, the biggest mediation effect of party identification on economic perceptions occurs at the responsibility attribution stage, and not necessarily at the economic expectations stage. As a matter of fact, party identification only mediated 2% of the effect of inflation rates on the sociotropic evaluation of the economy. On the other hand, party identification mediated almost 30% of the effect of retrospective evaluations on presidential support.

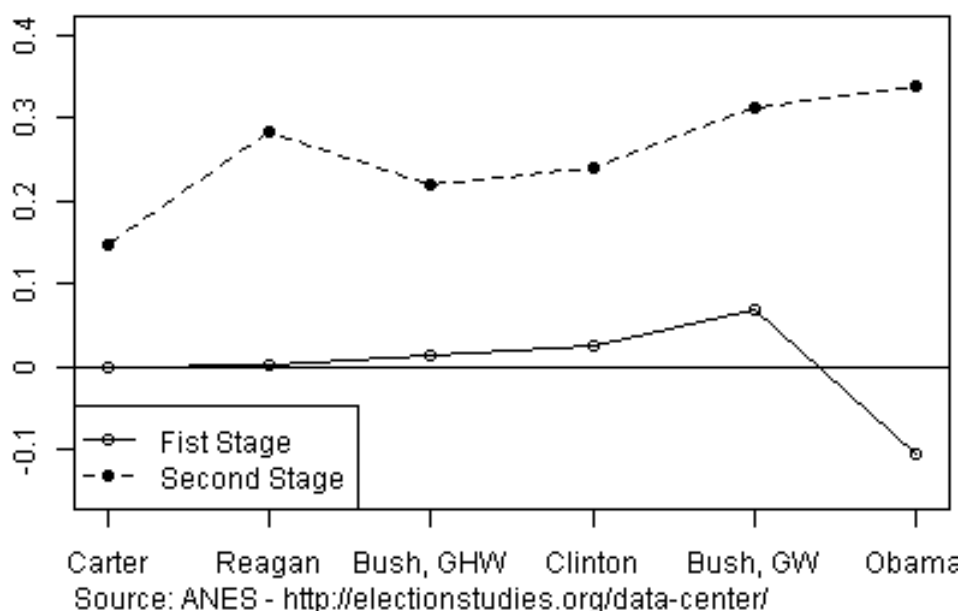
Contrary to general expectations, my analysis shows that party identification mediated the effect of retrospective evaluations on presidential support, but not necessarily the way that individuals perceive the national economy. Individuals evaluate the economy directly from the environment, and even partisans evaluate independently from party identification.

Two analyses remain. Do these mediated proportions vary across time? Also, is the effect constant or similar between those who feel represented by a political party in office in contrast to those who identify with the opposition?

3.1.3 Mediation across time in the US

Figure 3.2 shows the first and second stages of mediation analysis. For each of the six Presidents analyzed, party identification mediated less at the first stage, or when individuals generate their economic perception, than at the second stage, or when individuals evaluate the incumbent and assign responsibility.

Figure 3.2: Mediation analysis in the US across time



3.1.4 Partisan Mediation across time in the US

Table 3.7 shows the mediated proportions by stages and type of party identification.

Figure 3.3 shows the first and second stage of mediation analysis mediated proportions for those who feel represented by a political party in office and those who feel represented by a political party in the opposition.

In figure 3.3, one can easily observe that mediation driven by party identification is most likely to influence individuals who feel represented by a political party in office and most likely to occur when those individuals are generating positive evaluations

Table 3.7: General Mediation Analysis by stages

	PId Opposition		PId Government	
	First Stage	Second Stage	First Stage	Second Stage
ACME	-0.702	0.000	0.469	0.081
ADE	-25.420	-0.167	-20.259	0.236
Total Effect	-26.122	-0.167	-19.791	0.317
Prop. Mediated	0.029	0.000	-0.023	0.256

Sample Size Used: 145635

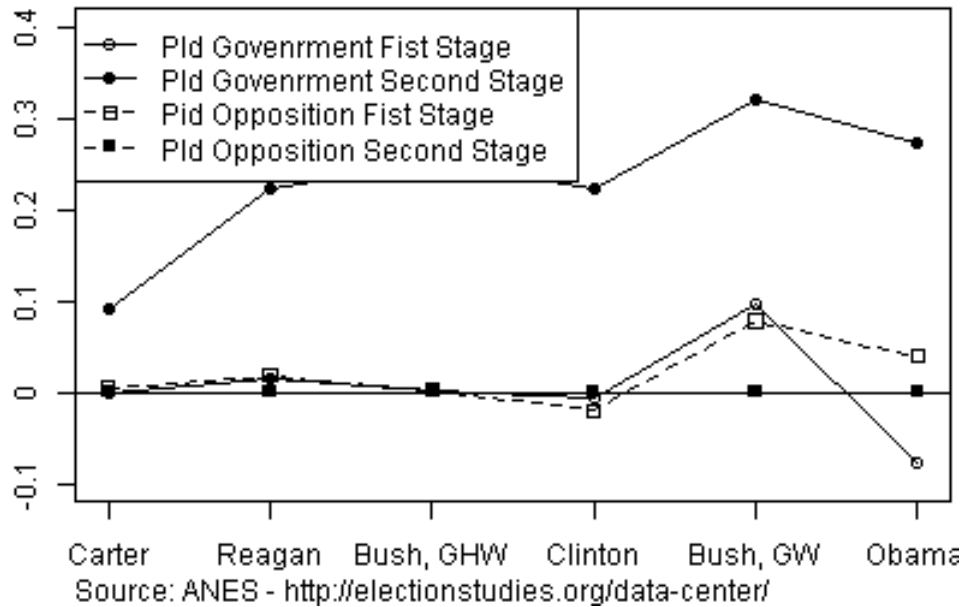
Simulations: 100

Signif. codes: 0 '***' 0.001 '**' 0.01 '*'

Note: computed using R mediation package

Source: ANES - <https://electionstudies.org/data-center/>

Figure 3.3: Mediation analysis by Party Identification in the US across time



of the economy in comparison to when individuals who feel represented by a political party in the opposition generate negative economic evaluations.

Table 3.8 summarizes the results plotted on figures 3.2 and 3.3. The mediated proportion by party identification when evaluating the incumbent assigning responsibility, or what I refer to in this dissertation as the second mediated stage, is almost null for those who feel represented by a political party in the opposition.

Table 3.8: Mediated proportion in the US
by Presidents and Party Identification

President	Party Identification		
	Opposition	Government	General
Carter	0.0000	0.0879	0.1460
Reagan	0.0000	0.2415	0.2839
Bush, GHW	0.0000	0.2800	0.2197
Clinton	0.0000	0.2305	0.2400
Bush, GW	0.0000	0.3294	0.3127
Obama	0.0000	0.2715	0.3378
Total	0.0000	0.2622	0.2842

The mediation analysis using ANES results from 1980 has two purposes. First, it illustrates the requirements, assumptions, implementation, and utility of mediation analysis. Mediation analysis of the US case also provides as a baseline or parameter of reference from which to evaluate and compare the other cases in this dissertation. As there is no rule of thumb for evaluation the size of mediated proportions, I use the 28% averaged mediated proportion in the past 40 years in the US as a base line to evaluate the results I find in the following chapters.

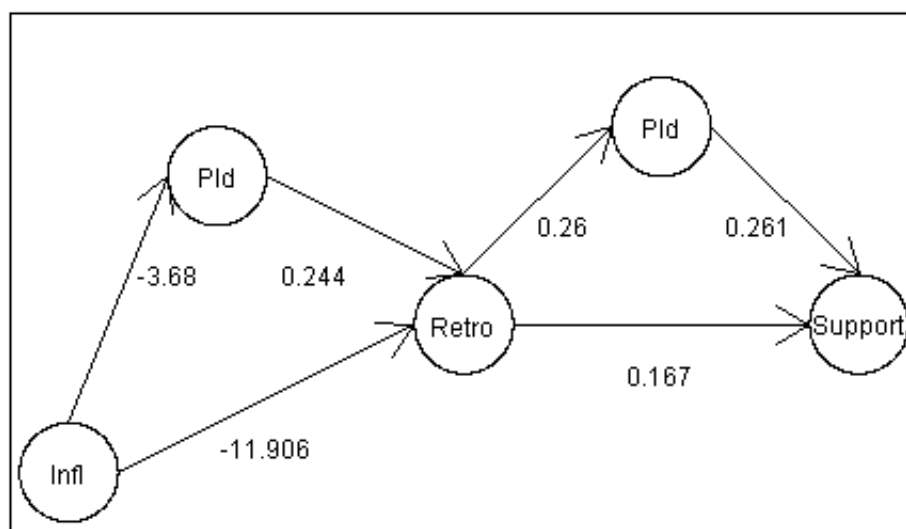
3.2 Concluding Remarks

This chapter had two objectives. First, I introduced the reader to mediation analysis and how mediation analysis is useful for this dissertation. Second, I used the US case as an example of how mediation analysis works, and more importantly, as an illustration of the role of party identification in the environment where this analysis and paradigm was first developed.

I also showed empirically in this chapter how mediation analysis allows me to identify and gauge how party identification mediates perceptions about the economy. There are three important findings. First, party identification mediates the way individuals evaluate the incumbent when considering the state of the economy. Second,

party identification does not mediate the way individuals perceive the state of the economy. This means that individuals perceive the economy using the environment, rather than being “blindfolded” by partisanship. Existing theories broadly assume that individuals select which information to collect in favor of their own beliefs. The findings presented above argue that this assumption does not hold in the case of the US economy for the past 40 years.

Figure 3.4: Mediation analysis in the US



This figure shows the results from equations 3.1 and 3.2. In order to obtain the Indirect Effect we multiply a times b . For the Total Effect we add that product to c . To obtain the mediated proportion we divide the multiplication product for the Total Effect.

In this case, for the responsibility attribution stage we have: $\frac{.26 \times .216}{(.26 \times .216) + .167} \cong .25$

The third finding highlights the fact that partisanship does not necessarily dictate individuals’ behaviors. My research distinguishes the effect of partisanship by differentiating the effect beyond Republicans or Democrats, and further explains the effect of party identification by considering whether the party individuals feel represented with is in office or not.

Existing US and comparative literature assumes that there is a difference between individuals who feel represented by a political party and those who do not. My dis-

sertation finds that higher levels of mediation or party identification happens among individuals who feel represented by a political party in office. Individuals who feel represented by a political party that is not in office exhibit behavior that is more similar to individuals who do not feel represented by any political party.

Party identification appears to be an attribute or characteristic that is exacerbated by the fact of being in office. I link this result to the responsibility attribution of the electorate, and the responsiveness demanded from the political system. Individuals who feel represented by a political party in office feel that it is "their" government in charge. They feel that they are responsible for them, because they voted them into power.

This chapter laid the foundations of my argument and dissertation objectives. The next chapter explores, gauges, and discusses the same puzzle in Latin America and in Chile. The chapter goes one step further and explains why there are variations across different units of analysis, such as countries and years.

Chapter 4

Latin America: a multiparty system in developing economies

4.1 Introduction

The Latin American case presents an interesting research challenge, because one could tend to consider the region as a whole unit, but as I will describe shortly, there are important differences and variations among the countries that constitute it. On the other hand, there are important similarities too. The vast majority of the cases experienced the same Spanish or Portuguese conquest, with the exception of one or two countries, they share institutional and political culture ¹.

In contrast with the US case used in the previous chapter, in order to define the mediation analysis and also to use it as a comparison point, Latin America differs in two main aspects: multiparty systems and a wide range of political and economic development.

I already discussed what is the relationship between multiparty systems and the responsibility assumption, but in short means that it is harder for the individuals

¹The classic pieces discussing these origins are Halperin Donghi (1993), Acemoglu, Johnson & Robinson(2001) & Bulmer-Thomas (2003)

to assign responsibilities on an individual or particular president or political party, because political leaders need to form political coalitions in order to obtain power.

On the other hand, the vast diversity of economic and political development in the region also plays an important role. I argued that more developed societies, both politically and economically, will have higher levels of party identification mediation, because following the development theory, only individuals who have already satisfied their most basic needs can spend time and resources paying attention to politics.

4.2 Descriptive statistics

I am going to study the relationship between presidential support, party identification, economic perceptions, national economy and political institutions in a region that characterizes for being diverse and vast, as I will present in this section.

Table 4.1: Countries and years analyzed

Country	2006	2008	2010	2012	2014	2016	Total
ARG	0	1,357	1,298	1,440	1,378	1,381	6,854
BOL	0	2,890	2,684	2,922	2,941	1,589	13,026
BRA	0	1,414	2,326	1,434	1,385	1,354	7,913
CHL	1,487	1,481	1,889	1,538	1,490	1,550	9,435
COL	0	1,454	1,460	1,391	1,455	1,510	7,270
CRI	1,457	1,442	1,362	1,446	1,456	1,443	8,606
ECU	0	2,906	2,881	1,439	1,415	1,354	9,995
GTM	0	1,456	1,407	1,459	1,445	1,388	7,155
HND	1,553	1,492	1,506	1,596	1,525	1,468	9,140
MEX	1,412	1,517	1,508	1,525	1,500	1,503	8,965
NIC	1,500	1,363	1,309	1,549	1,463	1,307	8,491
PAN	1,490	1,511	1,471	1,567	1,465	1,443	8,947
PER	1,426	1,473	1,408	1,426	1,410	2,408	9,551
PRY	0	1,161	1,404	1,458	1,433	1,388	6,844
SLV	1,669	1,509	1,507	1,452	1,445	1,495	9,077
URY	0	1,465	1,435	1,453	1,445	1,466	7,264
VEN	0	1,404	1,431	1,406	1,400	1,461	7,102
Total	11,994	27,295	28,286	26,501	26,051	25,508	145,635

Source: LAPOP - <http://www.LapopSurveys.org>

I am using variables at two different levels. I will use the results from LAPOP survey ². Table 4.1 shows that I am analyzing 17 Latin American countries from the years 2008 to 2016, and 8 countries for the year 2006. I could not include the 17 countries on all the years, because LAPOP did not ask some of the variables of interest that year in some countries. In total, I am analyzing 145 thousands individual's responses, distributed over 17 countries and 5 or 6 waves of surveys, depending on the country.

Table 4.2 shows the list of variables analyzed. We can observe that presidential support averaged 37%. 51% of the respondents are women, over 18 years old. The average education level in the region is 9 years. The income of the respondents needed to be normalized, because the way it was measured changed across the years. But when taking into consideration that the maximum value is almost twice as big as the minimum one can automatically observe a skewed on right distribution. This positive skewness shows us a region where lower incomes are more popular than above average.

Table 4.2: Latin American Descriptive Statistics

Variables	N	mean	sd	min	max
Approval	145,635	0.371	0.483	0	1
Female	145,635	0.511	0.500	0	1
Age	145,333	39.58	15.94	18	98
Education	145,635	9.352	4.484	0	18
Sociotropic	145,635	-0.272	0.715	-1	1
Egotropic	145,635	-0.114	0.702	-1	1
Party Identification	145,635	0.0655	0.532	-1	1

Source: LAPOP - www.LapopSurveys.org

The second set of variables to consider, other than the sociodemographics and presidential support, the perceptions about the economy. In this case I am considering two types of economic perceptions: sociotropic and egotropic. We can observe that, on average, the respondents tend to have a negative evaluation of the national economic

²I thank the Latin American Public Opinion Project (LAPOP) and its major supporters (the USAID, the Inter-American Development Bank, and Vanderbilt University) for making the data available

situation. Followed by the perception that the national economy is the same as 12 months ago. Only 16% of the respondents consider the actual national economy as better than last year.

When it comes down to evaluate their own personal economic situation, almost half of the respondents considers it as the same than 12 months ago. Less than one third of the respondents consider their own economic situation as worse than last year, meanwhile only one out of five respondents evaluates it as better than 12 months ago.

We can observe already that there are differences in the way the respondents evaluate the country national economic situation and their own. On average, there is a more pessimistic perception of the national economy respect to their own economic situation.

The last set of individuals variables to consider measures party identification. Let me start with the fact that 71% of the respondents do not feel represented by any political party at all. For those individuals that responded that they do feel represented or sympathize with a particular political parties, I identified all those political parties as part of the government or political coalition in charge, or as the opposition. Only 1 in 10 of the respondents feel represented by a political party in the opposition and almost 18% of the respondents feel represented by a political party in office.

This is another important contribution to the discipline, because for the first time party identification is going to be differentiated between parties that are in office and those who are not. More than 1,000 political parties were recoded into these two categories.

The party identification variable let me identify a region characterized for low levels of political interest or involvement, where only 1 out of 4 individuals feel represented by any political party at all. On the other hand, we can observe how uneven the distribution of party identification is when it comes down to identify those parties

as in power or in the opposition. Those who feel represented by a political party in power almost double the individuals who feel represented by a political party in the opposition.

4.2.1 Macro level

Another set of variables are measured at the country level. Table 4.3 shows that I have 93 country-year units in total. The first pair of variables come from the V-Dem project ³. Polyarchy measures “to what extent is the ideal of electoral democracy in its fullest sense achieved?” (V-Dem (2018)) shows a 7 points in average on a 10 points scale.

What is really interesting for me is that the variation in the region includes countries with 3 points to countries with 9.3 points, which is actually close to the top score, 10 points. On the other hand the Civil Society Participation index, that measures if civil societies and women are considered by the political system, shows that the average level in the region is 7.7, in a 10 points scale. Nevertheless, the descriptive statistics shows us a variation more restricted than the polyarchy case. The lowest level of civil society participation is 5.2 and the highest is 9.6, a higher value than the polyarchy variable, but this one has less levels of variation.

The second set of variables for the country level comes from the Development Indicators from the World Bank. National GDP was divided into millions of US Dollars of 2010 for comparison purposes.

The GDP is probably the best way to represent how different countries in the region are, since the smallest and largest GDP ratio is more than 300 times. It is important to note that we are analyzing countries with population of 6 million, such as El Salvador or Honduras, and other countries like Mexico and Brazil, with population of 127 and 207 million respectively. I also have a variable that measures

³Coppedge, Michael et al. Dataset v8. Varieties of Democracy (V-Dem) Project.

the GDP growth from year to year, where we can easily observe that there are years of economic constriction (-4%) and of economic flourishing, with 13% growth rate.

Table 4.3: Macro Descriptive Statistics

Variable	N	mean	sd	min	max
Year	145,635	2,011	3.151	2,006	2,016
Polyarchy	145,635	0.694	0.150	0.322	0.933
Civil Society Participation	145,635	0.780	0.108	0.528	0.960
GDP	145,635	293,189	544,727	7,981	2.424e+06
GDP growth	145,635	4.122	2.879	-3.890	13.09
GDP per capita	145,635	6,853	4,190	1,464	14,959
GDPpc growth	145,635	2.783	2.805	-5.210	11.60
Inflation	145,635	9.593	25.99	0	254.9
Unemployment	145,635	5.958	2.247	2.010	11.61

Source: Varieties of Democracy - <https://www.v-dem.net>

Source: World Bank Data - <http://databank.worldbank.org>

GDP per capita also shows the same pattern, we have countries with 1,400 to 15,000 GDP per capita values, a 10 times ratio. GDP per capita growth is similar to the national GDP values, ranging from -5 to 12 percentage points.

The last two variables are the inflation and unemployment rates. Inflation is another variable that let us described a region characterized for different economic times. I include countries with no inflation at all, to cases where the inflation is as high as 250% like Venezuela, or also unknown, like the Argentinean case in 2014 and 2016, according to the World Bank ⁴.

Unemployment shows a different type of behavior, where the ratio between the lowest and higher values is smaller than the previous variables ratios. The national unemployment full employment rates to almost 12%.

The national level variables let me described a region characterized not only for different national economy sizes and performances, but also different levels of political institutionalization. This is important for my dissertation, because the lack of

⁴I replaced the missing values with data from the UN Economic Commission for Latin America (ECLAC); If the data was still missing I used mean values between the closest two observations available. I copied the latest value available if none of the two procedures were fulfill

heterogeneity would not allow me to explain the possible differences to find later in the research. These levels of heterogeneity also expand the scope of my findings, because they would be able to incorporate more cases to explain from a comparative perspective.

In the following section I will start with the first steps of the inferential analysis. I start testing the classic approach to explain Presidential Support, contesting the explanation capability of the party identification and economic perceptions paradigms in the Latin American case. I follow that analysis questioning the mediation capacity of party identification over the economic perceptions using mediation analysis. I conclude my tests explaining the possible variations of the mediation found in the corresponding section

4.3 Presidential Support

The classic approach explaining Presidential Support argued that it could be explained by one of these two main paradigms: a) Party Identification or b) the perceptions about the economy. In general, the comparative evidence had found more support for the party identification paradigm than the rational expectation one. At the same time, researchers claimed that is party identification the one that blindfold the individuals respect to their perceptions of the state of the economy. It is exactly that what I want to challenge in this research, if there is a mediation of party identification, how big or important is it? what explains its variations, if there is any?

4.3.1 Presidential Support and Party Identification

Let me start describing the way perceptions varies across individuals. Table 4.4 shows that party identification is always smaller than 50% of the cases in all the countries.

On the other hand, party identification with the government is always bigger than the identification with the opposition, with the exception of Mexico, Panama and Peru.

Table 4.4: Party Identification per country

Country	Opposition	None	Officialism
ARG	5.91	80.00	14.09
BOL	4.47	78.47	17.07
BRA	4.20	75.12	20.69
CHL	5.82	85.81	8.37
COL	8.62	83.41	17.96
CRI	13.00	83.65	23.34
ECU	5.00	78.10	16.90
GTM	5.83	88.89	5.28
HND	17.77	59.91	22.32
MEX	17.87	70.06	12.07
NIC	14.01	55.54	30.44
PAN	15.31	72.00	12.69
PER	11.17	83.47	5.36
PRY	15.75	58.34	25.91
SLV	14.93	67.60	17.47
URY	18.75	46.83	34.42
VEN	13.91	64.94	21.15
Total	11.10	71.24	17.66

Source: LAPOP - <http://www.LapopSurveys.org>

After describing the way party identification varies across countries, and how much more supportive of the incumbent are those who feel represented by a political party in office, I am going to analyze briefly how party identification interacts with presidential support in Latin America.

Table 4.5 shows the results of an OLS analysis where the dependent variable is presidential support and the regressors are party identification with the opposition or with the government. The category of reference is not feeling represented by any political party at all.

Following the results shown on the descriptive statistics, those who feel represented by a political party in the opposition support the incumbent 9 percentage points below those who do not feel represented by any political party.

Table 4.5: Presidential support and Party Identification preliminary OLS analysis

	(1)
	Presidential Support
PId Oppsition	-0.094*** (0.004)
PId Government	0.310*** (0.003)
Constant	0.324*** (0.019)
Observations	145,635
Number of country	17
rho	0.0297
Standard errors in parentheses	
*** p<0.01, ** p<0.05, * p<0.1	

Individuals who feel represented by a political party in office support the incumbent 31 percentage points higher than those who do not feel represented by a political party.

We can have a first glance of how important party identification is when explaining the incumbent's support. The effect of feeling represented by a political party in power is three times bigger than the effect of feeling represented by a political party in the opposition.

With this simple model I am already able to start shading light over one of my hypothesis. The effect of party identification is different when you analyze it with respect to the fact that one party can be in charge or in the opposition.

From table 4.5 I can start wondering whether the mediation will be similar for those who feel represented by a political party in office or in the opposition. With these results I can anticipate it will not.

The next step is to describe the economic perceptions of the individuals.

Table 4.6 shows the percentage of positive sociotropic perceptions by party identification and by country. We can observe that in all the analyzed countries the percentage of individuals who considers the country economic situation better than

Table 4.6: Positive Sociotropic perception per Party Identification

Country	Opposition	None	Officialism	Total
ARG	0.1086	0.1198	0.2402	0.1361
BOL	0.1323	0.1910	0.4031	0.2246
BRA	0.1898	0.2438	0.3745	0.2685
CHL	0.1311	0.1341	0.2063	0.1400
COL	0.1595	0.1520	0.2389	0.1682
CRI	0.1090	0.1114	0.1553	0.1213
ECU	0.1440	0.2071	0.3730	0.2320
GTM	0.0647	0.0527	0.1032	0.0560
HND	0.0511	0.0557	0.1181	0.0688
MEX	0.0705	0.0632	0.1488	0.0748
NIC	0.0504	0.1372	0.3323	0.1844
PAN	0.1737	0.1344	0.1868	0.1471
PER	0.1968	0.1315	0.2324	0.1442
PRY	0.1586	0.1307	0.1760	0.1468
SLV	0.0273	0.0658	0.1910	0.0820
URY	0.1902	0.2543	0.4980	0.3261
VEN	0.0273	0.0893	0.2850	0.1221
Total	0.1098	0.1348	0.2752	0.1568

Source: LAPOP - <http://www.LapopSurveys.org>

last year are more frequent on those who feel represented by a political party in charge. Actually, in all the cases that percentage is higher than those who feel represented by no political party and those who feel represented by a political party in the opposition.

Table 4.7 shows the percentage of positive egotropic perceptions by party identification and by country. We can observe that in all the analyzed countries the percentage of individuals who considers their personal economic situation better than last year are more frequent on those who feel represented by a political party in charge. Actually, in all the cases that percentage is higher than those who feel represented by no political party and those who feel represented by a political party in the opposition.

Now I am going to describe presidential support level by party identification. Table 4.8 shows that the average level of support of the incumbent in the region is 37%. In most of the countries the average support is below that value. There is also

Table 4.7: Positive Egotropic perception per Party Identification

Country	Opposition	None	Officialism	Total
ARG	0.1506	0.1660	0.2319	0.1744
BOL	0.1976	0.1926	0.3207	0.2147
BRA	0.2410	0.3131	0.3928	0.3266
CHL	0.1694	0.1696	0.1873	0.1711
COL	0.2839	0.2912	0.3155	0.2949
CRI	0.1796	0.2147	0.2066	0.2082
ECU	0.1740	0.1991	0.2966	0.2143
GTM	0.1415	0.1171	0.1111	0.1182
HND	0.1016	0.1077	0.1368	0.1131
MEX	0.1149	0.1256	0.1673	0.1287
NIC	0.1160	0.1860	0.3060	0.2127
PAN	0.1803	0.1599	0.1894	0.1668
PER	0.2034	0.1828	0.2363	0.1879
PRY	0.2458	0.2274	0.2572	0.2380
SLV	0.0937	0.1098	0.2024	0.1236
URY	0.2181	0.2860	0.4132	0.3170
VEN	0.0668	0.1299	0.3016	0.1574
Total	0.1596	0.1835	0.2702	0.1962

Source: LAPOP - <http://www.LapopSurveys.org>

clear that the support for the incumbent changes across party identification type. In general, those who feel represented by a political party in charge double the positive evaluation of the incumbent than those who do not feel identified by any political party at all. In the same way, those who feel represented by a political party from the opposition approve the incumbent with a value almost 3 times smaller than those who feel represented by a political party charge.

4.3.2 Presidential Support and Economic Perceptions

It is evident that there are different evaluations of the economic perceptions and presidential support across party identification. But we do not see any evidence to argue that having better perceptions is explained by party identification. Let's remember that I am analyzing observational data, not experimentally generated data.

Table 4.8: Presidential Support by Party Identification and country

Country	Opposition	None	Officialism	Total
ARG	0.2173	0.2834	0.6315	0.3286
BOL	0.1873	0.3377	0.7949	0.4090
BRA	0.2982	0.4391	0.6530	0.4774
CHL	0.1767	0.3195	0.5608	0.3314
COL	0.2998	0.4338	0.6730	0.4652
CRI	0.1993	0.2313	0.3499	0.2548
ECU	0.3040	0.4988	0.8656	0.5511
GTM	0.1966	0.2550	0.5450	0.2669
HND	0.2592	0.3148	0.5289	0.3527
MEX	0.2778	0.2947	0.6211	0.3311
NIC	0.0958	0.3005	0.7369	0.4047
PAN	0.3073	0.2568	0.3947	0.2820
PER	0.1387	0.1845	0.3945	0.1907
PRY	0.3479	0.3671	0.4287	0.3800
SLV	0.2015	0.4350	0.7850	0.4613
URY	0.2379	0.3718	0.8332	0.5055
VEN	0.0334	0.1964	0.7497	0.2908
Total	0.2222	0.3250	0.6479	0.3706

Source: LAPOP - <http://www.LapopSurveys.org>

I am far from being able to claim causal explanation capability of one variable over another.

Table 4.9 shows the results of an OLS analysis where the dependent variable is presidential support and the regressors are the evaluations of the economy. The category of reference is evaluating the economy as the same.

The first two variables are egotropic evaluations, which are the answer to the question how do you evaluate your personal economic situation. We can observe that individuals who consider their personal economic situation as worse have a presidential support are 5 percentage points lower than those who consider it as the same.

Individuals who evaluate their personal economic situation as better support the incumbent 5 percentage points higher than those who evaluate it as the same. It is interesting that the effects of having a positive or negative perception are symmetrical.

Table 4.9: Presidential support and Economic perceptions preliminary OLS analysis

	(1)
	Presidential Support
Egotropic Negative	-0.056*** (0.003)
Egotropic Positive	0.059*** (0.003)
Sociotropic Negative	-0.142*** (0.003)
Sociotropic Positive	0.207*** (0.004)
Constant	0.405*** (0.019)
Observations	145,635
Number of country	17
rho	0.0299
Standard errors in parentheses	
*** p<0.01, ** p<0.05, * p<0.1	

The next couple of variables are the evaluation of the national economic situation. Individuals who consider that the national economy is worse than before support the incumbent 14 percentage points less than those who evaluate it as the same.

Individuals who evaluate the national economy as better than before support the incumbent 20 percentage points higher than those who evaluate it as the same as 12 months ago. Different than the egotropic perceptions, sociotropic evaluations are not symmetric. Sociotropic perceptions have an effect 3 or 4 times bigger than the egotropic ones. That is why I am going to use the sociotropic perceptions as my variable of interest in the mediation section.

At the same time, given the size and difference of the coefficients for the sociotropic evaluations, one can start wondering whether the mediation effect will be similar or different for those who feel represented by a political party in office or in the opposition. Question that I will answer later in this chapter.

4.3.3 Presidential Support and Economic Performance

I showed on table 4.3 the descriptives of the macroeconomic indicators. In this section I am going to analyze preliminary what is the relationship between them and party identification and also between the sociotropic evaluations, since these relationships are key later for the mediation analysis.

Table 4.10: Macroeconomic preliminary OLS analysis

	(1)	(2)
	Presidential Support	Sociotropic Evaluation
Inflation	-0.001*** (0.000)	-0.003*** (0.000)
Unemployment	-0.016*** (0.001)	-0.029*** (0.002)
Constant	0.483*** (0.026)	-0.065 (0.043)
Observations	145,635	145,635
Number of country	17	17
rho	0.0461	0.0572

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Table 4.10 shows in column 1 that as the economy decreases, it also does presidential support. On the other hand, column 2 shows that as the economy improves the perceptions of the economy also gets better.

align perfectly with the theoretical expectations and previous comparative evidence. Individuals reward or punish the incumbent for its role in the national economy.

Another important finding is that the state of the economy affects directly the way individuals perceive it. This is also a really important finding for the mediation analysis. Remember that the assumption is that party identification mediates the way individuals perceive the economy. These results already shed light over that hypothesis, but I will get back to this in the mediation section.

In the next section I will run the classic presidential support analysis, just to confirm or discard that our data shows similar or different patterns than the previous comparative evidence. In a posterior section I will explain the variation of the mediated effect, if there is any.

4.3.4 Inferential analysis

Using the data already described I ran three OLS models in order to measure the effect of the described independent variables over presidential support. The first model is the general effect; column 2 considers the effect of party identification with a party in the opposition and column 3 with a party in charge.

Table 4.11 column 1 shows the OLS coefficients for the general model. According to the model, the average effect of party identification is .181, which means that those who identify with a political party have a presidential support 18 percentage points higher than those who do not feel represented by any political party.

The effect of the personal and national economy is positive, which means that the better the evaluation the higher the presidential support. And as I show earlier in this chapter, the effect of the sociotropic evaluations is 3 times bigger than the effect of the egotropic.

The effect of the actual state of the economy over presidential support is negative, as expected. This means that as the economy goes down, so does the support with the incumbent. There is nothing that deviates from the norm or the comparative previous results here.

More important are the results from column 2 and 3. When comparing the coefficients for feeling identified with a political party in the opposition or in charge, we can observe that the size of the coefficient for government is twice as big as the opposition one. This finding is important to keep in mind on the mediation analysis section; because so far the theory just assumed that the effect of partisanship was

Table 4.11: Presidential Support in Latin America

	(1)	(2)	(3)
	Presidential Support		
Female	0.009*** (0.002)	0.007*** (0.002)	0.014*** (0.002)
Age	0.001*** (0.000)	0.001*** (0.000)	0.001*** (0.000)
Education	-0.002*** (0.000)	-0.002*** (0.000)	-0.003*** (0.000)
Party Identification (-1 0 1)	0.181*** (0.002)		
PId Oppisition		-0.131*** (0.004)	
PId Government			0.271*** (0.003)
Sociotropic	0.150*** (0.002)	0.165*** (0.002)	0.149*** (0.002)
Egotropic	0.056*** (0.002)	0.060*** (0.002)	0.056*** (0.002)
Inflation	-0.000*** (0.000)	-0.000*** (0.000)	-0.000*** (0.000)
Unemployment	-0.007*** (0.001)	-0.007*** (0.001)	-0.006*** (0.001)
year	0.005*** (0.000)	0.005*** (0.000)	0.006*** (0.000)
Constant	-9.453*** (0.776)	-8.791*** (0.791)	-11.478*** (0.774)
Observations	145,333	145,333	145,333
Number of country	17	17	17
rho	0.0473	0.0621	0.0536

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

only one, not differentiating between being in office or in the opposition. My findings show that that is not the case, party identification have a bigger effect on those who feel represented by a political party in charge.

I showed that most of the results aligned with the comparative evidence in Latin America. Party identification has a more important role when explaining the Vote-Popularity function. Now, does party identification have a mediator effect? How big

or small is it? Are there variations across time and or countries? What would explain that variation, if any? These are the research question I am going to answer in the following section, using Latin America as an example.

4.4 Mediation Analysis

I already described Latin America as a region that even though shares a cultural and institutional origin in most of the cases, when it comes down to its democratic institutions and political strength, it varies. On the other hand, I also showed that the region behave mostly like the theory and previous comparative evidence found beforehand.

Nevertheless, there is a difference. The classic approach or paradigm that analyzes the V-P function does not explain all the cases, as an example, the behavior of those who feel represented by a political party from the opposition. On the other hand, since I am analyzing observational data there is evidence that supports the argument that the party identification explains the economic perceptions of the respondents.

There are different Presidential support and economic perceptions across different party identification, but we do not know how important is the effect of party identification when interfering or mediating these perceptions. That is what I am going to analyze next. Does party identification mediate the perceptions about the economy? If it does, how much of it is mediated by party identification? Is that mediation constant or does it varies across countries or even across time within countries.

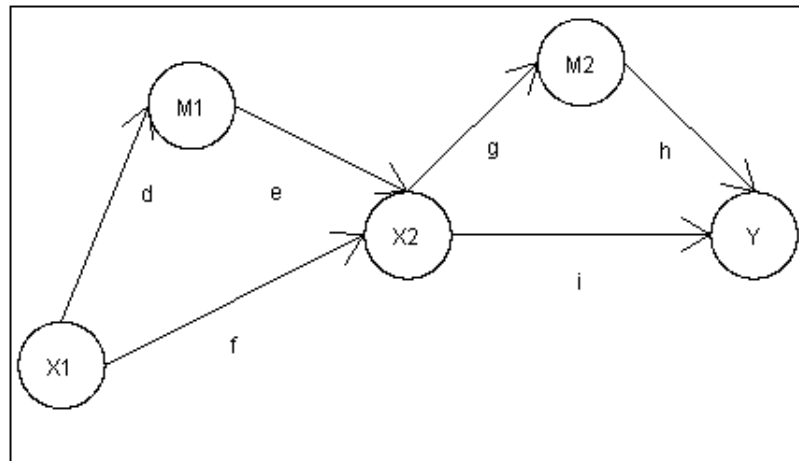
In the same fashion, as I discussed on the previous chapter, do mediation happens when the individuals evaluate the economy, on the economic expectation stage, or later on when the individuals evaluate the incumbent, the responsibility attribution stage?. I will follow the analysis structure presented earlier when analyzing the US case now analyzing the Latin American case.

4.4.1 Disentangle the Mediation: Expectations or Responsibilities

As I discussed in the previous chapter, there is the theoretical assumption that party identification mediates the individual's perceptions in two different stages. On one hand one could assume that party identification distorts the way the individuals considers the state of the economy when evaluating it. I called this first stage as the “Economic expectation stage”. Or in the other hand one could assume that party identification mediates or distorts the evaluation of the economy when the individual punish or reward the incumbent, on the second stage or the “responsibility attribution stage”.

Figure 4.1 refreshes the mediation structure I presented on the previous chapter, where I graphically represents the two stages of evaluating the incumbent.

Figure 4.1: Economic expectations and responsibility attribution mediation effects



4.4.2 Mediation effect of party identification in Latin America

I am going to start analyzing the mediation effect of party identification in Latin America at the countries levels, because of the unit of analysis of the macroeconomic indexes. On the other hand, since the level of analysis is going to be deeper and deeper, I am going to describe the main effects with the original variables as thrichothomous.

Table 4.12: Mediation Analysis in Latin America

	(1)	(2)	(3)	(4)
	Economic Expectations		Responsibility Attribution	
	Sociotropic	Party Id	Approval	Party Id
Party Identification	0.191*** (0.003)		0.183*** (0.002)	
Unemployment	-0.041*** (0.002)	-0.006*** (0.001)		
Inflation	-0.003*** (0.000)	-0.001*** (0.000)		
Sociotropic			0.151*** (0.002)	0.101*** (0.002)
Egotropic			0.052*** (0.002)	0.029*** (0.002)
year	-0.023*** (0.001)	-0.002*** (0.000)	0.005*** (0.000)	0.001* (0.000)
Constant	46.592*** (1.186)	3.388*** (0.918)	-9.960*** (0.752)	-1.519* (0.886)
Observations	145,635	145,635	145,635	145,635
Number of country	17	17	17	17
rho	0.0497	0.0210	0.0343	0.0163

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Table 4.12 shows the regressions needed to the mediation analysis on the two stages I am interested in. Column 1 and 2 has the direct and mediated regression models of the economic expectation stage, and columns 3 and 4 have results for the responsibility attribution or second stage.

With the results from 4.12 I am finally able to do the mediation analysis. Table 4.13 shows the general results for the mediation analysis.

Table 4.13: General Mediation Analysis by stages

	Economic Expectations	Responsibility Attribution
ACME	-0.0015	0.0227
ADE	-0.0175	0.1402
Total Effect	-0.0190	0.1629
Proportion Mediated	0.0408	0.1389
Sample Size Used: 145635		
Simulations: 100		
Signif. codes: 0 '***' 0.001 '**' 0.01 '*'		
Note: computed using R mediation package		
Source: LAPOP - http://www.LapopSurveys.org		

Table 4.13 shows the average mediated proportion for the first stage is 4%, meanwhile the average mediated proportion for the second stage is 13.5%. There are two important comments to highlight from these results. First, the mediation proportions are smaller than the one observed in the US in the previous chapter. Second, the proportion mediated on the second stage is almost 4 times bigger on the responsibility attribution stage than the economic expectation stage.

These findings already shed light in one of the old assumptions that argued that party identification blindfolded the individuals according to their own benefit, selecting or priming information favorable or concordant with its own believes.

In general terms, party identification does not “blindfold” individuals when evaluating the state of the economy. Most of the effect of the economy goes directly to the perceptions or evaluations of it. Only 4% of it is mediated by party identification.

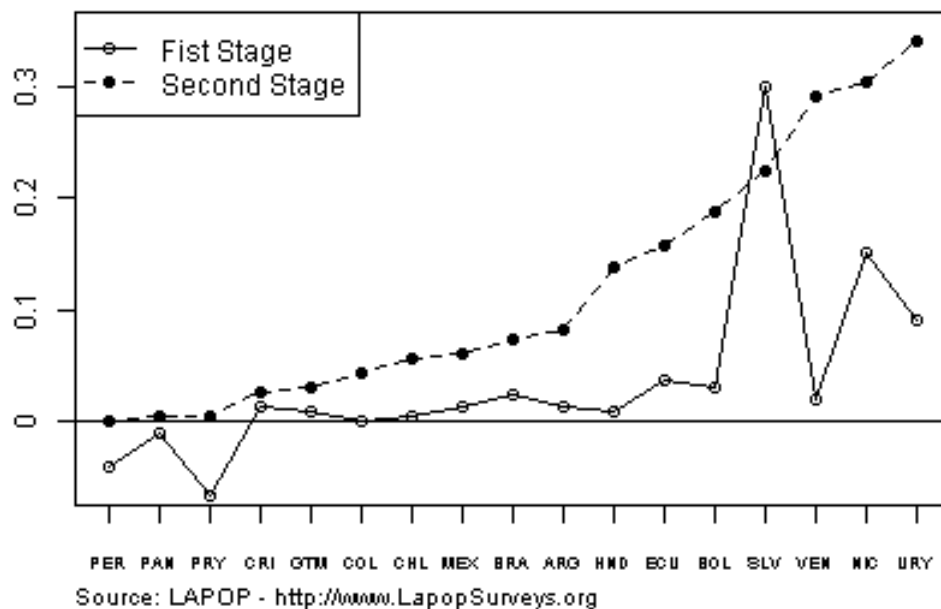
A different story is the mediation of the incumbent. Party identification mediates the perceptions of the economy when evaluating the incumbent on a 14%, which basically means that most of the economy evaluation has a direct effect over presidential support.

4.4.3 Mediation effect of party identification by countries

After I measured the general effect of party identification in Latin America I have the expectation of finding high levels of variation across countries, based on the descriptive statistics shown in the beginning of this chapter. I started this chapter arguing that the countries in the region are different among them.

Figure 4.2 shows the average mediated proportions in Latin America by countries. The continuous line with the hollowed circles shows the first stage and the dashed line with the filled circles the second stage.

Figure 4.2: Mediated proportions by country



One can easily observe that in the vast majority of the Latin American countries the mediation capability of party identification happens on the responsibility attribution stage and not necessarily on the economic expectation stage. The mediation is always bigger on the second stage, with the exception of only one country, El Salvador.

On the other hand, since figure 4.2 shows the values sorted by size of the second stage effect, one can observe that on the far right of the distribution are mostly countries with left-wing administrations. Ecuador, Bolivia, Venezuela and Uruguay

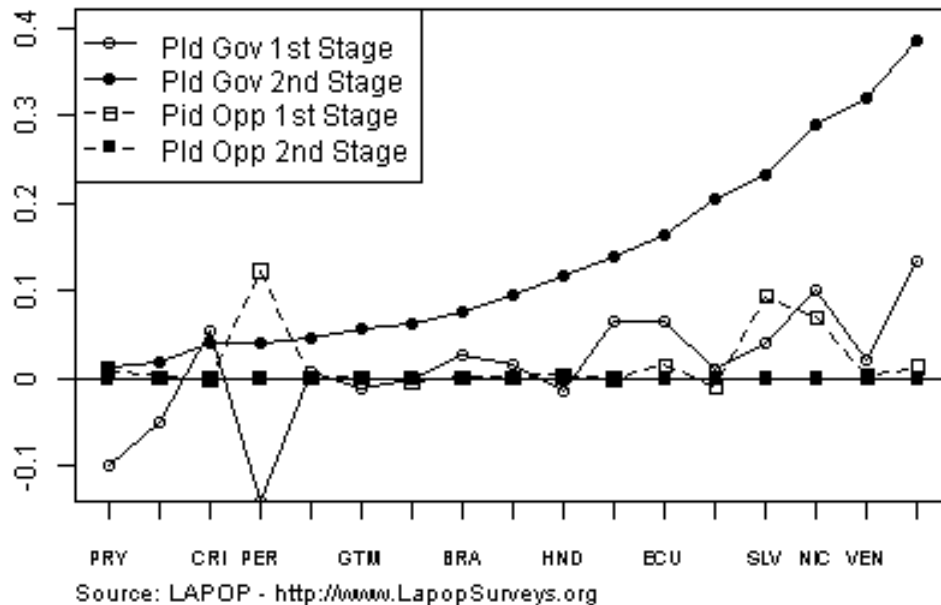
share the characteristic that during the 2008-2016 periods they had mostly presidents coming from left-wing political coalitions.

4.4.4 Mediation effect by type of party identification and countries

I already showed a region where party identification has a different effect whether the individuals feel represented by a political party in office or in the opposition. A second characteristic is that the mediation of party identification happens when evaluating the incumbent and not when perceiving the economic information from the environment. And third, there are differences between the Latin American countries. In most of them the mediation is almost undistinguishable from zero.

The next step is to go further and measure the mediation on both stages by the type of party identification. Figure 4.3 shows the mediation proportions on both stages by country and differentiate it between those who feel represented by a political party in office and in the opposition.

Figure 4.3: Mediated proportions by stages, countries and Party Identification



We can observe on figure 4.3 that the effect for those who feel represented by a political party in office is bigger than the general effect shown on figure 4.2, as expected. There is another important difference. Once the mediation effect is differentiated by the type of party identification El Salvador do not differ from the rest of the countries, but Peru does now.

Table 4.14: General Mediation Analysis by stages

	PId Opposition		PId Government	
	First Stage	Second Stage	First Stage	Second Stage
ACME	-0.0005	0.0000	-0.0003	0.0415
ADE	-0.0146	-0.0281	-0.0126	0.2293
Total Effect	-0.0150	-0.0281	-0.0129	0.2708
Proportion Mediated	0.0255	0.0000	0.0181	0.1525
Sample Size Used: 145635				
Simulations: 100				
Signif. codes: 0 *** 0.001 ** 0.01 *				
Note: computed using R mediation package				
Source: LAPOP - http://www.LapopSurveys.org				

We can observe that, in general, there are two important trends. Party Identification mediates on the responsibility attribution section, and not on the economic expectation section. But also, there is a bigger effect for those individuals who feel represented by a political party in office than those who feel represented by a political party in the opposition.

4.5 Explaining mediation across countries and years

The next step in this chapter is to identify the mediated effect by country and year. In order to do this I used a multilevel estimation. I will skip the economic expectation stage since I already showed that the mediation effect is marginal on that stage.

Table 4.15 shows the mediated proportions of party identification with a political party in charge over national economy perceptions, by country and years. Notice that the marginals of this table are computed averaging the coefficients per countries

Table 4.15: Mediated effect by country and year

Country	2006	2008	2010	2012	2014	2016	Total
ARG		0.1650	0.1386	0.0818	0.2286	0.1095	0.1447
BOL		0.0414	0.0273	0.0516	0.2115	0.0962	0.0856
BRA		0.0300	0.1769	0.2678	0.1956	0.2006	0.1742
CHL	0.3467	0.1729	0.0671	0.1345	0.0393	0.0775	0.1397
COL		0.1720	0.3118	-0.0002	0.3321	0.3136	0.2259
CRI	0.3551	0.4153	0.2008	-0.0174	0.0587	0.2921	0.2174
ECU		0.0072	0.0087	0.0765	0.0497	0.1302	0.0545
GTM		0.0311	0.0169	0.0183	0.0458	0.0212	0.0267
HND	0.0991	0.0071	0.0548	0.0839	0.0690	0.1335	0.0746
MEX	0.1485	0.2394	0.2041	0.2463	0.1990	0.2407	0.2130
NIC	0.1923	0.1379	-0.0168	0.0566	0.0591	0.0210	0.0750
PAN	0.0099	0.0198	0.0542	0.0466	0.0074	0.1026	0.0401
PER	0.0957	0.0395	0.0564	0.0223	0.1229	-0.0160	0.0535
PRY		0.0563	0.3632	0.4419	0.3558	0.4518	0.3338
SLV	0.3704	0.0708	0.0701	0.0485	0.0712	0.0036	0.1058
URY		0.2861	0.3265	0.3994	0.3416	0.3543	0.3416
VEN		0.0554	0.1657	0.0492	0.1592	0.1299	0.1119
Total	0.2022	0.1145	0.1310	0.1181	0.1498	0.1566	0.1399

Source: Source: LAPOP - <http://www.LapopSurveys.org>

and years, which is not the same respect to the average effect per countries shown in Figure 4.2.

Table 4.15 illustrates that there are high levels of variation of not only across countries, as discussed before, but even within countries the effect can vary dramatically from one measurement to the other.

The last step of this chapter is to explain what makes the mediated proportion at the country-year unit vary. Following my research hypotheses discussed in the beginning of this dissertation, I argue that the variation of the proportion mediated by countries and year may be explained by political development, levels of societal inclusion or economic performance. I will test my research hypotheses now.

Table 4.16 the results of 2 regression models, explaining the mediated proportions of party identification with a political party in the opposition, on column 1, and with a political party in office on column 2.

Table 4.16: Explaining PId-Gov mediation variation in Latin America

	(1)	(2)
	Party Identification	
	Opposition	Government
Polyarchy	0.071 (0.053)	0.151 (0.174)
Civil Society Participation	-0.074 (0.069)	-0.122 (0.224)
GDP Growth	-0.010 (0.014)	-0.095** (0.048)
GDP per capita Growth	0.008 (0.014)	0.092* (0.048)
Inflation	0.000 (0.000)	0.000 (0.000)
Unemployment	0.000 (0.002)	-0.000 (0.007)
year	-0.002* (0.001)	-0.004 (0.004)
Constant	4.392* (2.354)	7.572 (7.459)
Observations	93	93
Number of country	17	17
rho	0.3716	0.4255

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

I have been describing during this chapter that the mediation by feeling represented by a political party in the opposition is almost undistinguishable from zero. In this section, even though I computed the proportion mediated at all the 93 country-years unit of analysis, no variable of interest can explain its variation.

The proportion mediated by party identification with a party in office over economic perceptions is explained by variation of the national economy, in particular the growth rate of GDP and GDP per capita.

The proportion mediated of economic perceptions by feeling represented by a political party in charge increases as the national GDP per capita increases, but it decreases as the GDP increases. I will discuss the scope and implications these results in the next section.

4.6 Discussion

There are a series of findings and null results in this section that are important to note. Let me start with the ρ coefficients from the last Mixed-Effects models. According to the rho values, 37% and 42% respectively, of the variation of the variation of the dependent variable is explained by the differences across grouping variable or countries in this case. This means that there are important levels of differences of the individuals that feel represented by a political party in the opposition or in office across countries.

I can absolutely rule out the assumption that the role of party identification has been affected by the role of Civil Society Organizations in the political decisions process. This finding questions the role or importance of official social movements that have took the agenda in the region over the past couple of years. We can only wait for future measurements and polls to see if this effect is kept or not over time.

The level of democracy institutionalization do not played a statistically significant or substantive affecting the role of party identification. One possible alternative explanation for this is the fact that we are analyzing just the past 12 years, when the democratization levels of most Latin American countries was already stable or establishing, but just a handful of cases with really low levels of democratic development. We can still expect a different effect on the Chilean case, because in that case we are analyzing almost 30 years of political development, where the variation over that period is definitively higher than the variation over the past 12 years in the region.

There is evidence to argue that some indicators of the national state of the economy play a role over the proportion mediated by party identification with the government over economic perceptions. GDP and GDP per capita have a statistically significant effect but with different signs. My alternative explanation to this fact is that the individuals may evaluate differently when they perceive that the national economy is growing but they are not beneficiated by that economic growth, decreas-

ing the mediation capacity of party identification over the positive perceptions of the national economy.

Meanwhile I argue that the if the individuals are actually enjoying the benefits of the national economic growth personally, enjoying of better liquidity, the party identification with the government mediation capacity gets increased or multiplied, mediating in a higher level the positive perceptions of the economy.

In other words, I argue that the mediation capacity of party identification with the government gets amplified or multiplied if they perceive a better personal or direct economic benefit, and get diminished if they perceive that they do not enjoy or benefit directly from the national economic growth. Something that actually does not corresponds negatively with those who fell represented by a political party in the opposition.

The findings of the Latin American case showed in this research also challenge a classical assumption that the individuals react primarily to what the V-P Function paradigm labeled as the “Big-Two”. The findings of this dissertation show that inflation and unemployment rates do not have any effect over the mediation capacity of party identification. I argue that the individuals may consider rather more relevant or important economic factors in the long term, like GDP and GDP per capita, over short term economic effects such as inflation and unemployment.

This last result is aligned with both the development theory and post-materialist needs. I argue that given that political stability and democracy levels are almost complete and high in vast part of the region, the individuals pay more attention to long term economic development variables, that actually let them experience better life quality standards in the long run, such as GDP and GDP growth, even if they are experiencing bad economic cycles in the present time. I expected to be able to prove this with the Polyarchy and or the Civil Society Participation variables, but this was not the case.

I argue that the difference with the US case and the lower levels of mediation of identification with a party in office is due primarily because Latin America has, is due primarily for two reasons. Multiparty systems dilute the responsibility attribution for individuals, because there is no one particular political party to reward or punish, but a political coalition. Also, given modernization in the region and the dependence of selling natural resources, national's economies are highly permeable by international economic crisis.

Finally, I am also able to differentiate the effect of partisanship. My dissertation findings let me claim that partisanship have a bigger and more salient effect on those who feel represented by a political party in power rather than those who feel represented by a political party in the opposition. One could have assumed beforehand that those from the opposition will punish the incumbent and perceived all negatively simply because they are in the opposition. But my findings actually illustrate a government partisan that actually have perceptions and attitudes more mediated by party identification than those who feel in the opposition. According to my results government partisans are those who tend to distort their perceptions, and that effect is magnified if they enjoy directly of the benefits of the economic growth.

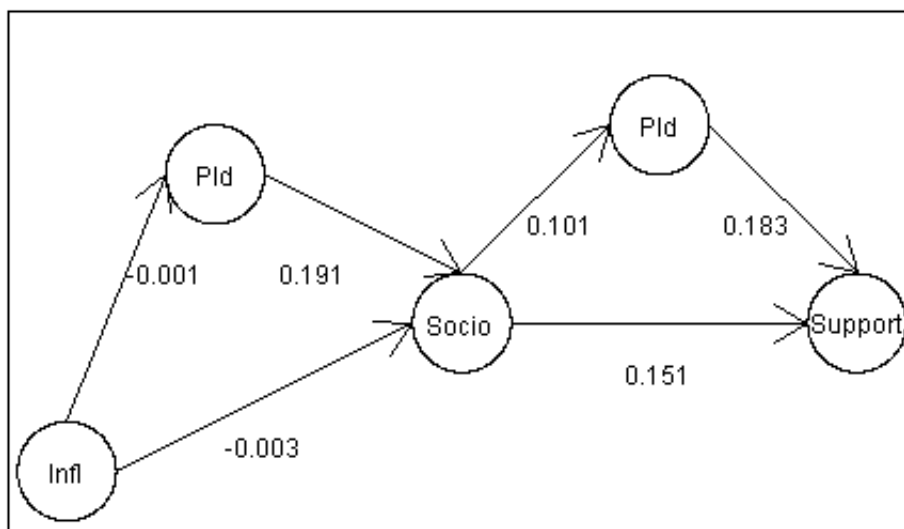
4.7 Concluding remarks

This chapter had two main objectives: 1) identify the mediation capacity of party identification and 2) explain the mediation found, using Latin America as a case of study.

The region presents a really interest case of study because the countries in the region are different with each other's. The region characterizes for examples of good and poor economic performance, high and low levels of democratic institutions and also different levels of party identification.

Figure 4.4 shows the general results in Latin America. Using those values I measured that only 4% of the economic perceptions was mediated by party identification, meanwhile, as shown on table 4.13.

Figure 4.4: Mediation analysis in Latin America



This figure shows the results from equations 3.1 and 3.2. In order to obtain the Indirect Effect we multiply a times b . For the Total Effect we add that product to c . To obtain the mediated proportion we divide the multiplication product for the Total Effect.

In this case, for the responsibility attribution stage we have: $\frac{.101 \cdot .183}{(.101 \cdot .183) + .151} \cong .11$

There are two important findings from the Latin American case. Party do not mediates the way individuals perceive the economy. On the other hand, there are important differences between the types of party identification. Individuals who feel represented by a political party in office mediate the way they evaluate the incumbent, but just by a 13%, which is almost half of the effect of the US case.

Finally, once the mediation of party identification with a political party in office on the responsibility attribution section, or presidential support, is explained primarily by the economic development stage of the countries. I found that GDP and GDP per capita growth explain the variation at the country-year unit of analysis. This result

align perfectly with the modernization theory, as societies gets better economically, individuals start paying attention to more complex demands.

In the next chapter I am replicating the research presented in these past two chapters, but using Chile as a study case.

Chapter 5

Chile: from democratization to institutionalized democracy

5.1 Introduction

The Chilean case has been constantly highlighted as an example of successful democratic transition, political institutionalization and economic development (Mainwaring & Scully, (2009)). The so called “poster boy” of Latin America experienced a peaceful democratic transition from former Pinochet’s authoritarian regime to almost 30 years of political and economic stability, which is not necessarily the regions norm.

After 18 years of authoritarian regime, the Concertación political coalition was able to govern for more than 20 consecutively years. Concertación was a center-left political coalition that congregated most of the multiple and diverse political forces that opposed Pinochet’s regime. The first elected presidents were two Christian Democrats, Patricio Aylwin (1990-1994) and Eduardo Frei (1994-2000). They were followed by the socialists Ricardo Lagos (2000-2006) and Michelle Bachelet (2006-2010). Concertación’s reign finished when Sebastián Piñera (2010-2014) won the presidential election, being the first right-wing president elected since the 50’s. Michelle

Bachelet (2014-2018) returned to power for a second term, bringing Concertación back to power, with a new name, but it was basically the same political coalition that emerged at the end of the 80's.

As we will see soon, Chile enjoyed not only political institutionalization but also good levels of economic development over the 90's. Nevertheless due to the high permeability of the national economy to the international economic situation, Chile experienced economic shrink periods too.

At the same time that the economy and democracy developed, Chilean society and the public started facing changes and new challenges too. The most salient of these changes is the highly increasing level of disaffection from the public expressed in the demolishing levels of political participation, manifested not only for the decrease of levels of identification with political parties, but also lower turnout across the years.

Chile presents an interesting case of study for this research, because on the paper it fulfilled all the political and economic requirements to democratize and achieve good levels of economic development. Even though that has been the case in most of the past 3 decades, there are indicators that the public in general did not move or develop in the same direction or with the same levels of satisfaction from the political system.

As mentioned before, the Latin America “poster boy” followed the book and prospered. Its institutions are recognizing all over the world and it consider an example to follow to most countries that want to leave behind decades of economic and political discontent. Nevertheless, are political parties up to the new challenges? Do the classic and old institutions answer properly to new demands? More importantly, do the classic theoretical bodies and comparative evidence explain the Chilean case at all? Or is Chile a case study to challenge decades of research and evidence? We will see.

In the following section I will start describing the country in terms of its individual's relevant political perceptions and attitudes. I will describe economic, political and societal institutions that changed across time. I will start my analysis measuring the effect of those institutions over perceptions and attitudes, and I will start running inferential analysis in order to answer the research questions and falsify my hypotheses. Does Party identification mediate economic perceptions? Is there change or variation of this mediation across time? And finally, if there is a variation, how is it explained.

5.2 The data

In this chapter I am analyzing data at two different levels, individuals and national level. The individual's information comes from *Centro de Estudios Públicos (CEP)* national polls. They run a nationally representative poll at least two times a year and three or four surveys on electoral years. They survey around 1,500 individuals per poll. I am using data from 1990 until 2017, which considers 64 polls in total, distributed unevenly among the 6 presidential terms. On the other hand, the national level variables come from the Chilean National Bank.

From the CEP polls I consider the variables presidential support, party identification, economic perceptions and sociodemographics. From the national economy I will analyze the inflation and unemployment rates, as well as the national Gross Domestic Product index. The national data reported monthly, and it's matched to the months where the surveys field work was done.

As shown on Table 5.1, I am working with 90 thousands cases from 1990 to 1997. The average presidential support for the whole period was 45%. It is important to note that the number of cases represents the valid data that I am using in the analysis,

not all the cases contained on the surveys, because not all the cases had valid answers for all the analyzed variables. 58% of the cases are women.

Age is distributed on 6 categories and the average category is 35-45 years old. Education was reported differently across the years, either in years of education or in categories, and since the measurement was not consistent across time the variable was normalized in order to make it comparable. Nevertheless, since education and all the other sociodemographics are not related to any research hypothesis, they are just controlling for differences across surveyed individuals. Average socioeconomic status of the surveyed was low.

Table 5.1: Descriptive Statistics Chilean data

Variable	N	mean	sd	min	max
Year	90,528	2,003	8.271	1,990	2,017
Approval	90,528	0.449	0.497	0	1
Female	90,528	0.582	0.493	0	1
Age	90,527	3.435	1.649	1	6
Education	90,528	0.0118	0.996	-2.264	2.294
SES	90,528	1.663	0.696	1	3
Party Identification	90,528	0.179	0.680	-1	1
Sociotropic	90,528	-0.191	0.686	-1	1
Egotropic	90,528	0.264	0.674	-1	1
Inflation	90,528	0.0705	0.0661	-0.0194	0.292
Unemployment	90,528	0.0772	0.0157	0.0534	0.118
GDP Growth	90,528	0.0135	0.0111	-0.00949	0.0445
Polyarchy	90,528	0.858	0.0288	0.772	0.906
Civil Society Participation	90,528	0.769	0.0553	0.690	0.862

Source: CEP Polls - <http://www.cepchile.cl>

Now turning a second group of individuals' characteristics, that are included in the hypotheses, Party Identification is a key element for this dissertation. We can see that half of the population did not feel represented by any political party. 16% of the respondents feel identified with a party which was not in power and one third of the surveyed feel represented by a political party in power or supporting the Executive.

The respondents were asked if they feel represented by a set of political parties. I recoded all the political parties in order to classify them as in office or in the opposition. This is another contribution of this dissertation, because up to this point, the effect of partisanship was assumed to be similar for those individuals who feel represented by any political party, against those who do not.

On the other hand, when it comes down to perceptions about the economic situation, we can observe that half of the population perceived the country economic situation, also known as “sociotropic” as “same” than 12 months ago, 35% perceived it as “worse” and 16% evaluated as “better”. With respect to their personal economic situation, also known as “egotropic”, 48% evaluated as the “same” than 12 months ago, 13% perceived it as “worse” and almost 40% evaluated as “better”.

In general, we can easily observe that the period of time analyzed partisanship was a non-predominant characteristic, they evaluated the country economic situation as stable as or worse than before, but in contrast the individual economic situation was also the same or positive. Which already represents an interesting dichotomy between how the individuals perceive or evaluate their environment and their personal economic situation?

I will describe how these variables behaved across time in the following sections, but now let’s turn into the country level variables. A complete and detailed wording of the questions analyzed is included in the Appendix.

Table 5.2: National level indicators

Index	N	Mean	Std. Dev.	Min	Max
Inflation	64	.0705	.0661	-.0194	.2924
Unemployment	64	.0772	.0157	.0534	.1178
GDP growth	64	.0135	.0110	-.0095	.0445
Electoral democracy index	28	.8576	.0302	.7723	.9056
Civil society participation	28	.7685	.0560	.6896	.8621

Source: Chilean Central Bank - <http://www.bcentral.cl/en>

Source: Varieties of Democracy - <https://www.v-dem.net>

Table 5.2 shows the second level indicators, at the national level. Following the literature review, I am going to analyze two sets of variables, economic indicators and political institutions and society measures. On one hand I have the inflation rate with an average of 7%, but with a wide range that goes from -2% to almost 30%. The unemployment rate also averages 7

The Gross Domestic Product growth index has a positive value when it grows and a negative under economic shrink. The mean GDP growth is 1.3%, but the minimum and maximum values show us that there were some good and bad economic times over the past 28 years. Notice that the number of observations is 64, which is the number of polls I am using. The economic data was matched with respect to the month of the survey field work. All the economic variables come from the Chilean Central Bank and its monthly economic time series.

On the other hand I have an indicator of how the Chilean democratic regime was doing. The polyarchy index averages 8.6 in a 10 points scale, with a range from 7.7 to 9 points on the observed time. Meanwhile the civil society participation index has an average value of 7.7, with a minimum of 6.9 and a maximum of 8.6 points. These variables come from the Varieties of Democracy project (V-Dem) and they are measured by year, which is why there are 28 different observations. The descriptive statistics let us identify that there is variation of the different variables analyzed over the period of time that this research comprehend.

This section let us have a first glance on how both the individuals and the national economy behaved over the 1900-2017 period of time. We observed individuals with mixed economic perceptions, unbalanced party identification levels and a national economy that started poorly in the 90's but stabilized as democracy institutionalized. But as democracy gotten stronger and stronger, economic growth followed the opposite direction, which represents an interesting paradox to analyze.

In the following sections I will describe and analyze the relationship of all these variables in more detail in order to crown this chapter with an inferential analysis.

5.3 Individuals perceptions and attitudes

There are three key variables at the individual's level needed to test my research hypotheses: Presidential Support, Party Identification and economic perceptions. In the following paragraphs I will describe how these variables behaved across the analyzed period of time, in order to have a better idea of similarity or dissimilarities among the 6 different presidential terms.

5.3.1 Presidential Support

Presidential Support in Chile does not necessarily deviate from the norm, as described on the literature review, in terms of having a honey moon period, followed by a plateau or decreased by midterm, but they do deviate respect to the popular support by the end of their administrations. Chilean presidents end up being highly supported or disapproved.

As a first glance, Table 5.3 show us that the average Presidential Support was 45% and that Aylwin, Frei, Lagos and the first term of Bachelet enjoyed support levels above average, but the last two administration had support level below the analyzed period average.

Figure 5.1 show us that after 18 years of a dictatorial regime, Chileans rewarded the president in high levels, above 70% of support. President Patricio Aylwin support decreases as his administration brought a politically stable regime to Chile. Nevertheless, his support was always above 50%.

President Eduardo Frei experienced a complete different story, the electorate gave him a short honey moon and his support diminished quickly, as the economic situation

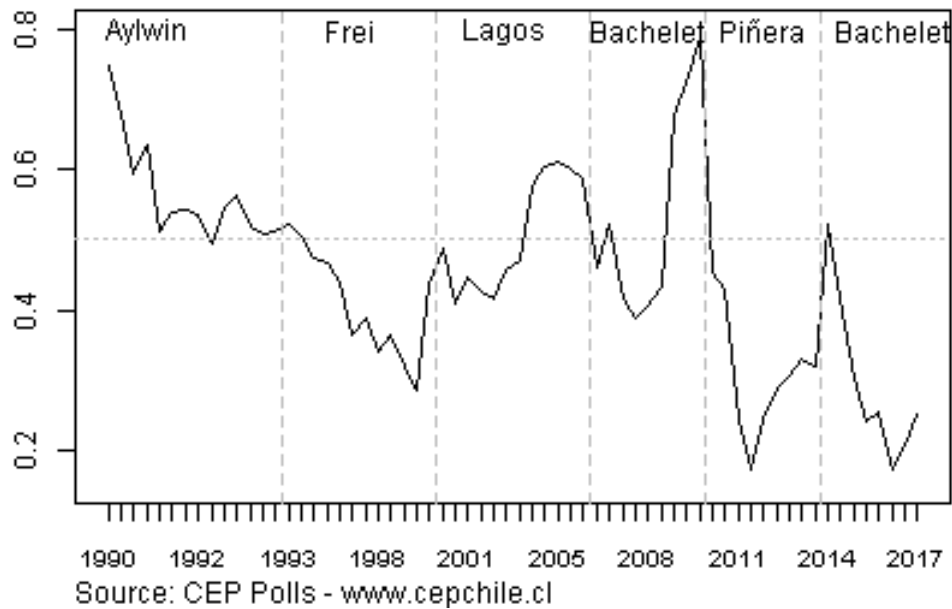
Table 5.3: Presidential Support per realms and Party Identification

President	Opposition	None	Government	Total
Patricio Aylwin	0.3385	0.4143	0.7086	0.5591
Eduardo Frei	0.2828	0.2989	0.5594	0.4103
Ricardo Lagos	0.3266	0.4055	0.7482	0.5077
Michelle Bachelet	0.3317	0.4803	0.7416	0.5332
Sebastián Piñera	0.2107	0.2722	0.6995	0.3078
Michelle Bachelet	0.1386	0.2604	0.5582	0.2962
Total	0.2900	0.3494	0.6748	0.4495

Source: CEP Polls - www.cepchile.cl

worsens dramatically in the country. I will come back to the national economy state on a few paragraphs. He ended up his administration with a high increased on his last administration year.

Figure 5.1: Presidential Support in Chile



President Ricardo Lagos was the first Socialist to return to power after the dictatorship. He followed 2 Christian Democrats administration. The electorate did not give him a honey moon period, starting with an approval level lower than 50%. His support grows strong, but as his administration finished it felt below 50% again.

President Michelle Bachelet was the second Socialist to be in office in Chile, and she also is the first woman ever elected in Chile for President. Her administration started with low levels of support, but as her administration continued, the public started supporting her administration with unprecedented levels in Chile. Bachelet left the government being supported by more than 4 out of 5 surveyed.

President Sebastián Piñera was the first right-wing president elected, that also put an end to Concertación, a political coalition that governed Chile for more than 20 consecutively years. His administration was not supported by vast part of the population. Only two out of five surveyed supported his administration by midterm. He was able to change that and he enjoyed during the last year in charge of a support that reached to 40%.

The last term analyzed in this research correspond to the comeback of President Michelle Bachelet, whose support has not been similar to his first administration at all. Actually her support follows a similar pattern with respect to the previous president, Piñera, and only time will say if this is a new cycle of political evaluation from the public or just two outliers.

This section let us identify a period of time characterized by high levels of variations and differences respect to the way the public punished or rewarded the incumbent. In the next section I will describe how Party Identification behaved during this same period of time.

5.3.2 Party Identification

The second key variable for this research is Party Identification. Independently of if you agree that Party Id is “sticky”, immutable or a dynamic decision from the individuals, as described on the literature review section, the effect of Party Id over individuals as a cue or shortcut information is almost undeniable. I am not questioning that in this research, I am researching how much important it is.

It is important to note that the way Party Identification is measured by CEP polls in Chile is different from the way it is measured in the US. CEP asked the respondents “Now, of the following political parties that are presented on this card, with which of them do you identify more or sympathize more with you?”. Party Identification measures the way individuals feel identified or sympathize with a political party, not their official affiliation with that political party.

Table 5.4: Party Identification per realms

President	Opposition	None	Officialism
Patricio Aylwin	0.1709	0.2930	0.5361
Eduardo Frei	0.1497	0.4135	0.4369
Ricardo Lagos	0.1794	0.4811	0.3395
Michelle Bachelet	0.1428	0.5734	0.2838
Sebastián Piñera	0.2078	0.6789	0.1133
Michelle Bachelet	0.0709	0.7799	0.1492
Total	0.1576	0.5060	0.3364

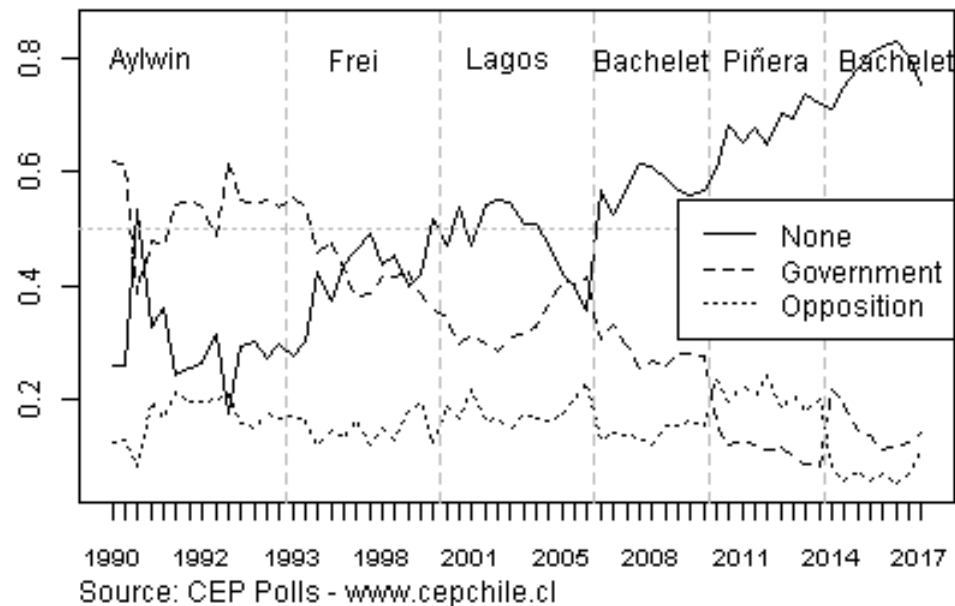
Source: CEP Polls - www.cepchile.cl

Table 5.4 shows that on average 50% of the respondents does not represented by a political party. All the reported political parties were recoded with respect to whether they were in the government or part of the political coalition in power or in the opposition. 16

Figure 5.2 illustrates how party identification behaved across the analyzed period of time. There is one characteristic that automatically outstand in the figure. The level of identification with any political party has been dramatically decreasing. The continuous line shows the level of identification with none political party, and other than its constant increase, it only seems to decrease by the end of Ricardo Lagos term. On the other hand, party identification levels were above 50% of the respondents only during Patricio Aylwin and Eduardo Frei administration.

The dashed line shows the levels of identification with a political party in power. The fact that this line is always bigger than the dotted line for opposition, with the exception of Sebastián Piñera period, proved us that was actually Concertación the

Figure 5.2: Party Identification in Chile



one that was able to congregate more individuals than the right-wing coalition, that with the exception of Piñera's period, they were always in the opposition. Nevertheless, the support for Concertación, being in charge or in the opposition, decreased constantly over these past 28 years.

The dotted line represents the opposition, but in contrast with the government and none lines, the opposition have enjoyed of more stability across time. In general, one can easily observe that the opposition was around 15% over the analyzed period of time, independently if they were in charge or not.

Presidential Support and Party Identification

I already described one of the most salient characteristics of the Chilean politics, low levels of identification with political parties. On table 5.5 I show the preliminary results of an OLS model where the dependent variable is presidential support and the regressors are feeling represented by a political party in the opposition or in power, the category of reference is not feeling represented by any political party

Table 5.5: Presidential Approval and Party Identification preliminary OLS analysis

	(1)
	Presidential Support
PId Opposition	-0.076*** (0.005)
PId Government	0.300*** (0.004)
Year	-0.004*** (0.001)
Constant	7.405*** (1.556)
Observations	90,528
Number of president	6
rho	0.00229

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Table 5.5 shows that the level of support of individuals who feel represented by a political party in the opposition is 7 percentage points lower than those individuals who do not feel represented by a political party. On the other hand, presidential support is 30 percentage points higher for those who feel represented by a political party in power, with respect to those individuals who do not feel represented by a political party.

The third term in the model, year, captures the constant decline of party id in general over time.

It is important to highlight the fact that the effect of feeling represented by a political party in office or in the opposition have a significantly different effect. Not only going in opposite directions, as one can expect, but more importantly on its size or impact.

The effect of feeling represented by a political party in office is 4 times bigger than feeling represented by a political party in the opposition. This finding has been constant across this dissertation. This already shed lights on the results that we are going to find later in this chapter.

The next step is to describe how economic perceptions behaved across time in Chile

5.3.3 Economic Perceptions

The third key variable for this research are the individual's perceptions about the economy. As discussed in the literature review, the electorate considers or discards information from the national state of the economy in order to punish or reward the incumbent. As discussed by MacKuen, Erikson & Stimson (1992), the electorate can behave as peasants or bankers in the way they consider this information. And this is the reason to consider the economic perceptions in two different aspects: as an egotropic evaluation or the evaluation of the own personal economic situation; or as a sociotropic evaluation, which is the general or national state of the economy evaluation. Nevertheless, as most of the comparative evidence proven, I will focus on the sociotropic effect, rather than the egotropic.

Table 5.6 shows that in average the respondents evaluate the current national state of the economy as the same than 12 months ago. Almost 35% of the respondents evaluate the national state economy as worse than last year and only 15% considers it to be better than 12 months ago. This summary shows that the individuals tend to have a negative or indifferent evaluation of the state of the national economy.

Table 5.6: Sociotropic economic perceptions per presidents

President	Negative	Same	Positive
Patricio Aylwin	0.1987	0.6077	0.1936
Eduardo Frei	0.3956	0.4726	0.1318
Ricardo Lagos	0.4521	0.4204	0.1274
Michelle Bachelet	0.3733	0.4576	0.1691
Sebastián Piñera	0.3124	0.4922	0.1954
Michelle Bachelet	0.3876	0.4866	0.1258
Total	0.3484	0.4938	0.1578

Source: CEP Polls - www.cepchile.cl

On the other hand, it is important to note that only during Patricio Aylwin government both the negative and positive perceptions were almost identical on average. Ever since then, the negative perceptions almost doubled the positive perceptions across the different administrations.

Figure 5.3: Sociotropic economic perceptions

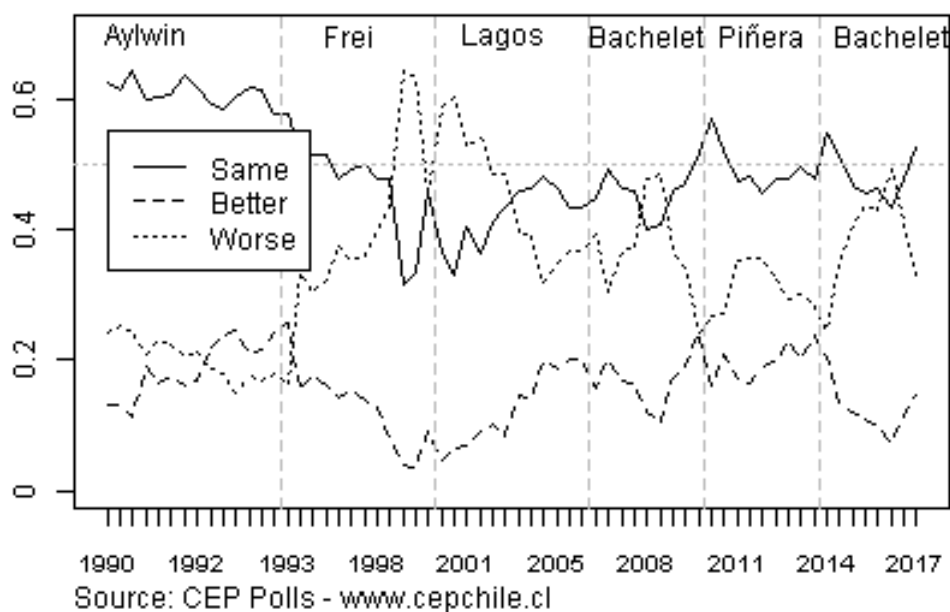


Figure 5.3 shows how these perceptions behaved across time over the past 28 years. In general we can observe that the worsts periods of sociotropic economic perceptions happened during the end of Eduardo Frei and beginning Ricardo Lagos, and by the two thirds or administration on both Michelle Bachelet administrations. Later in the section I will analyze if these perceptions were actually related to the state of the economy or just responded to something else.

Table 5.7 shows that in average the respondents evaluate the state of their own personal economy as the same than 12 months ago. But in contrast to the sociotropic perceptions, only 13% evaluates it as worse and around 40% considers it to be better than before. It is important to note that only during Sebastián Piñera administration the negative perceptions were below 10 percentage points.

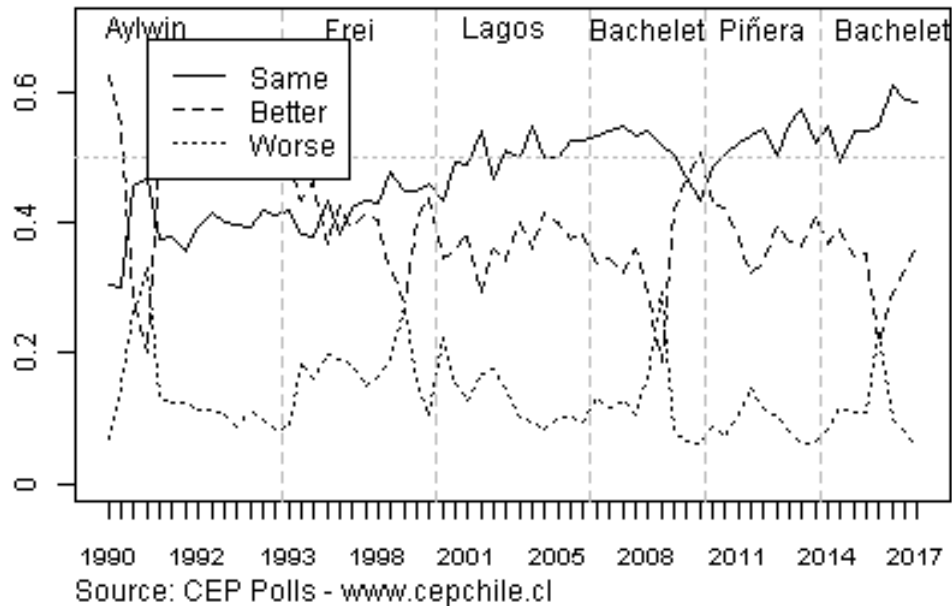
Table 5.7: Egotropic economic perceptions per presidents

President	Negative	Same	Positive
Patricio Aylwin	0.1311	0.3939	0.4750
Eduardo Frei	0.1697	0.4260	0.4044
Ricardo Lagos	0.1307	0.5019	0.3673
Michelle Bachelet	0.1276	0.5134	0.3590
Sebastián Piñera	0.0935	0.5265	0.3800
Michelle Bachelet	0.1114	0.5566	0.3320
Total	0.1301	0.4763	0.3936

Source: CEP Polls - www.cepchile.cl

Figure 5.4 shows that egotropic perceptions of the economy worsen during half the way or two thirds of the administration of Presidents Eduardo Frei, both administrations of Michelle Bachelet.

Figure 5.4: Egotropic economic perceptions



This section illustrated that the perceptions of the economy varied dramatically during the analyzed period of time. More interestingly, there are important differences not only between administrations but also within. In the following sections I will describe the national state of the economy and I will analyze the way the perceptions about the economy interacted with the actual changes in the national economy.

Presidential Support and Economic Perceptions

In this subsection I will analyze preliminarily what is the relationship between the evaluations of the economy and presidential support.

Table 5.8 shows the results of regressing positives and negative sociotropic and egotropic evaluations of the economy. Individuals who felt that their current economic situation is worse than before evaluate the incumbent 6 percentage points below than those who evaluate their personal economic situation as the same. Those who evaluate their economic situation as better than before support the incumbent 11 percentage points higher than those who evaluate it as the same.

Table 5.8: Presidential Approval and Economic Perceptions preliminary OLS analysis

	(1)
	Presidential Support
Egotropic Negative	-0.064*** (0.005)
Egotropic Positive	0.113*** (0.003)
Sociotropic Negative	-0.176*** (0.004)
Sociotropic Positive	0.185*** (0.004)
Constant	0.433*** (0.080)
Observations	90,528
Number of president	6
rho	0.152

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Evaluating the national economic situation as better than before generate a presidential support 17 percentage points lower than those who evaluate the current national economy as the same. On the other hand, individuals who evaluate the national current economy as better, evaluate the incumbent 18 points higher than those who think is the same.

Notice that the effect of the sociotropic perceptions is bigger than the sociotropic evaluations. I found the same pattern in the Latin American case. Unfortunately we do not have the exact same questions for the US case.

This preliminary analysis also helps me to start narrowing my next analyses. Since the effect of the sociotropic perceptions is more important than the egotropic, I am going to focus on the sociotropic evaluations in the mediation analysis to do later in this chapter.

The next step is to describe the second set of variables of interest, but now at the national level.

5.4 The state of the economy

Table 5.9 shows the average values per presidential term of the national economy variables. We can observe that the average unemployment rate was 7.7%, with higher levels on the Ricardo Lagos and the first term of Michelle Bachelet. The average inflation rate was 7.3%, with an average value almost three times higher on the return of democracy and a stable decay across the rest of the presidential terms.

On the other hand, the GDP growth rate was having been low in general, with a growth of 1.3% on the studied period, and with the lowest rates on both Michelle Bachelet regimes. These variables are going to be described and analyzed in more detail later.

Figure 5.5 shows the economic performance over the analyzed time. After 18 years of dictatorship, democratic regimes needed to take care of many immediate needs from the population. They faced the challenge of being able to institutionalize a democratic regime and also take care of the poor economy. Inflation rate, the dashed line, was almost at 30% in the 90's. Concertación administrations were able

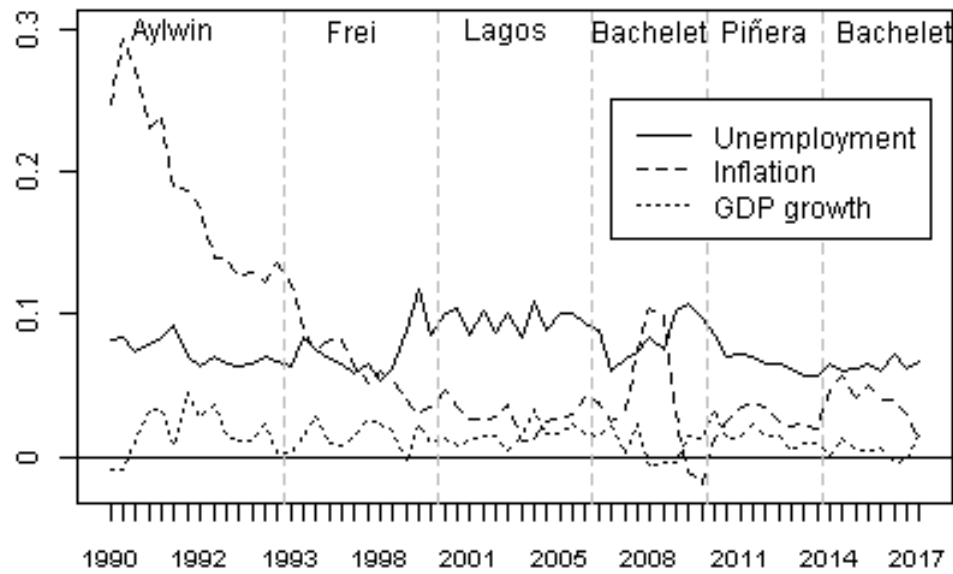
Table 5.9: National Economy per Presidential terms

President	N	Unemployment	Inflation	GDP growth
Patricio Aylwin	14	.0737	.1880	.0173
Eduardo Frei	12	.0740	.0654	.0150
Ricardo Lagos	12	.0967	.0288	.0157
Michelle Bachelet	9	.0841	.0417	.0084
Sebastián Piñera	9	.0672	.0261	.0154
Michelle Bachelet	8	.0641	.0399	.0048
Total	64	.0774	.0732	.0135

Source: Chilean Central Bank - <http://www.bcentral.cl/en>

to improve it systematically for more than 15 years. Even though there were two peaks of increase during each Bachelet terms.

Figure 5.5: Chile macro economic indicators



Source: Chilean Central Bank

Unemployment, represented by the continuous line, behaved well for almost 10 years, but then an international economic crisis, known as Asian crisis (Barbara Stallings (1998)), affected the Chilean national economy increasing unemployment rate for almost 10 years. The second peak on unemployment happened during the first Bachelet administration.

GDP growth rate, with the dotted line. One can observe three depressions over the economic growth, during the Asian economic crisis, and over both Bachelet administration. The worst economic scenario happened by the end of first Bachelet administration. The national economy was struck by global financial crisis (José Antonio Ocampo (2009)) and the copper price reduced dramatically in the London Stock Exchange.

The state of the economy in Chile, since the return of democracy, faced many challenges that consecutive Concertación's administration were able to improve. There are two main characteristics of this period of time. Democratic governments rebuilt an economy and promoted stability, but the national economic situation is highly dependent from the international economy, and that is why the global economic and financial crisis affected the country dramatically.

This description shows another paradox, even though the country was facing the worst economic situation during 2008, Michelle Bachelet enjoyed the highest support levels ever experienced in the country.

I will analyze and explain this paradox in the inferential analysis section. Now I will continue with the relationship between the state of the economy and perceptions.

5.4.1 Economy and perceptions

I already described independently how the variables of interest behave. I am going to start my first steps in order to do my inferential analysis. I will start analyzing the relationship between these variables.

Table 5.10 shows the results of an OLS analysis of the national economic situation over presidential support and economic perceptions. Column 1 analyzes Presidential Support, and we can observe that only unemployment has a statistically significant effect over presidential support. Nevertheless it is a counterintuitive result, because

it has a positive effect, which means that on average, presidential support increases as the unemployment rate does.

Table 5.10: National economy indicators OLS analysis

	(1)	(2)	(3)
	Presidential Support	Sociotropic perceptions	Egotropic perceptions
Unemployment	2.549** (1.001)	-4.001*** (1.270)	-0.431 (1.091)
Inflation	0.059 (0.386)	-0.374 (0.497)	-0.139 (0.366)
GDP growth	-0.287 (1.196)	2.287 (1.496)	0.204 (1.518)
Year	-0.008* (0.004)	-0.006 (0.006)	-0.003 (0.003)
Constant	16.204* (8.414)	12.196 (11.717)	7.307 (6.386)
Observations	64	64	64
Number of president	6	6	6
rho	0.306	0.396	0

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Column 2 shows the result of the sociotropic perceptions analysis. Once again, only unemployment has a statistically significant effect over the sociotropic economic perceptions, and in the expected direction. As unemployment increases the perceptions respect to the national economic situation decreases. On the other hand, column 3 shows the results of the egotropic perceptions.

None of the analyzed variables have a statistically significant effect, not even at the 90% level of confidence. Nevertheless all the signs or directions of the variables are as expected, negative for unemployment and inflation and positive for GDP growth.

The past sections allowed us to identify a general view of the country's economic situation, presidential support and economic perceptions. I described a country that experienced good and bad economic times; meanwhile the incumbents also experienced different periods of support and disapproval. It is important to have those

levels of variation, because it is precisely that what I want to analyze and explain in this dissertation.

5.5 Democratic and Society development

Another set of variables measures the way the democratic regime has improved and how important or considered by the political system are the civil organizations. Electoral democracy index or polyarchy is a comprehensive indicator that answers the question “To what extent is the ideal of electoral democracy in its fullest sense achieved?” (V-Dem (2018)). On the other hand, the Civil society participation index measures if civil societies and women are considered by the political system, if political parties do primaries decentralized, as an example.

With these variables I will be able to test the hypotheses that mediation varies due to better democratic standards or that it varies because the society plays an important role to the political regime.

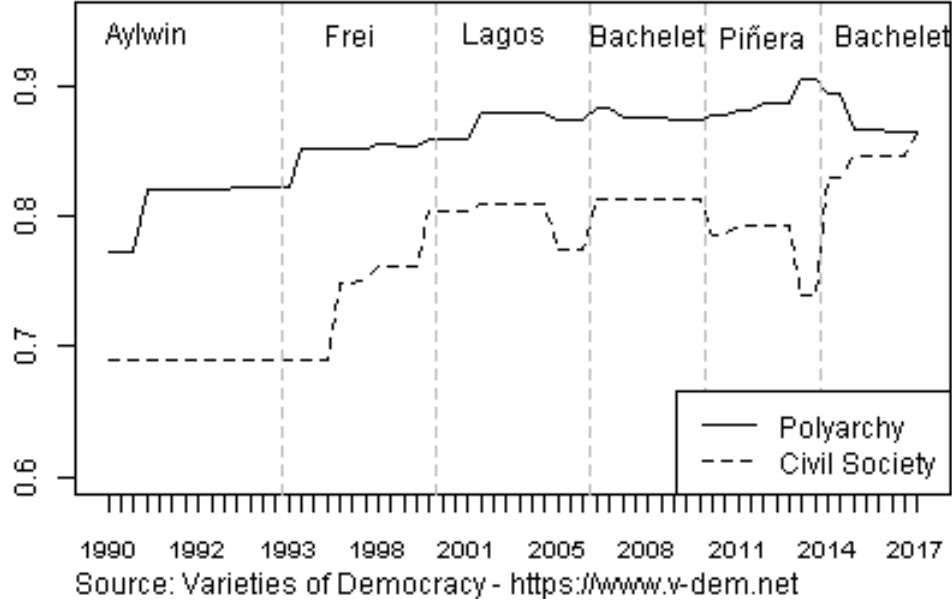
Table 5.11: Political and Societal variables

President	Polyarchy	Civil Society
Patricio Aylwin	.8103	.6896
Eduardo Frei	.8506	.7381
Ricardo Lagos	.8728	.7993
Michelle Bachelet	.8765	.8126
Sebastián Piñera	.8875	.7795
Michelle Bachelet	.8728	.8440
Total	.8576	.7685

Source: Varieties of Democracy - <https://www.v-dem.net>

Table 5.11 shows that polyarchy levels increased constantly since the return of democracy until Sebastián Piñera administration and declined on the second term of Michelle Bachelet.

Figure 5.6: Polyarchy and Civil Society Organization across time



On the other hand, Figure 5.6 shows that Civil Society participation increased almost continuously over the whole analyzed period of time, with the exception of Sebastián Piñera administration and the last year of Ricardo Lagos.

In general terms we observe a country that flourished democratically after the authoritarian regime and that the civil society organizations were mostly considered increasingly over the past 3 decades. These variables show a country that matured over the years, not only economically but also democratically and incorporated more and more civil society organizations. I will evaluate later in this research how this growth affects the rest of the considered variables.

Table 5.12 shows the preliminary results of regressing polyarchy and Civil society participation variables on presidential support, simply to have a first glance of how they interact. Both variables have a negative statistically significant effect. Nevertheless, these variables are not considered on the later hypotheses. I am using these variables to explain the possible mediation of party identification. I am going to come back to them on the last section of this chapter.

Table 5.12: Presidential Approval and Institutions preliminary OLS analysis

	(1)
	Presidential Support
Polyarchy	-1.428*** (0.156)
Civil Society Participation	-1.957*** (0.090)
Year	0.008*** (0.001)
Constant	-13.347*** (2.561)
Observations	90,528
Number of president	6
rho	0.0483

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

The next section consolidates all the previous variables described and preliminary analyses. I needed to walk the reader step by step in this incremental analysis in order to be able to do the general presidential support analysis, followed by the mediation analysis.

5.6 Presidential Support

After I described the data I am analyzing I start with the first step in order to answer my research questions. Does the traditional Vote-Popularity function explain the way the public supports the incumbent in Chile?

Table 5.13 shows the results of an OLS with Presidential Support as the dependent variable. Column 1 shows the general result, column 2 shows the effect of feeling identified with a political party in the opposition. Column 3 shows the results of feeling represented by a political party in office.

The first think to note is that all the variables are statistically significant. When it comes down to analyze the relevance and substantive significance, party identification

Table 5.13: Presidential Support OLS results

	(1)	(2)	(3)
	Presidential Support		
Female	-0.005*	-0.009***	-0.026***
	(0.003)	(0.003)	(0.003)
SES	0.002	-0.001	0.016***
	(0.002)	(0.003)	(0.003)
Education	-0.023***	-0.024***	-0.014***
	(0.002)	(0.002)	(0.002)
Party Identification (-1 0 1)	0.179***		
	(0.002)		
PId Opposition		-0.178***	
		(0.004)	
PId Government			0.303***
			(0.003)
Sociotropic	0.172***	0.185***	
	(0.002)	(0.002)	
Egotropic	0.086***	0.097***	0.113***
	(0.002)	(0.002)	(0.002)
Inflation	0.350***	0.352***	0.478***
	(0.035)	(0.036)	(0.036)
Unemployment	4.589***	4.729***	3.756***
	(0.102)	(0.104)	(0.104)
year	-0.002***	-0.005***	0.001**
	(0.000)	(0.000)	(0.000)
Constant	3.063***	9.118***	-1.359**
	(0.559)	(0.570)	(0.582)
Observations	90,528	90,528	90,528
Number of president	6	6	6
rho	0	0	0

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

has the higher coefficients, those coefficients are bigger than the economic perception ones and between them, the sociotropic coefficients are bigger than the egotropic. All this is completely aligned with the traditional approach and the comparative evidence.

Respect to party identification, the general effect of party identification is 18 percentage points, which means that on average, those who identify with a political party support the incumbent 18 percentage points higher than those who do not feel

represented by a political party. Column 2 shows that the effect of feeling represented by a political party in the opposition generates a difference of 17 percentage points below everybody else. Those who feel represented by a political party in office support the incumbent 30 percentage points higher than the rest of the respondents, as shown on column 2.

Those who evaluate the current country economic situation as worse than last year, evaluate the president 15 percentage points lower than those individuals who consider the current economic situation as the same. Those who evaluate the current economic situation as better than last year, evaluate the president 17 percentage points higher than those who evaluate it as the same. The effect of having a more positive personal or economic situation increases the support for the incumbent. But the effect of the sociotropic perception doubles the size of the egotropic evaluation.

It is interesting to observe that the differences between those who have positive or negative perceptions, in the same way than the party identification, do not have symmetric effect. The effect of party identification is almost 4 times different and the sociotropic effects are two thirds of each other. But the effect of the sociotropic perceptions is almost identical on the opposite side of the spectrum.

This finding already shed some light on the relationship between economic perceptions and party identification. One should not expect the exact same opposite effect because individuals think or have opposing perceptions or attitudes.

The general result from table 5.13 showed that the Chilean individuals behave almost identically as the previous and comparative results. Nevertheless, this is not the objective of this dissertation. Now is time to ask ourselves does the fact that party identification have a stronger effect over economic perceptions means that partisans are blindfolded? Does party identification mediate over the economic perceptions? By how much?

The following sections are more substantive in relation to the fact that I finally start doing the relevant statistical analysis to finally analyze and explain why this is the case.

5.7 Mediation Analysis

My research hypothesis questions whether there is a mediation effect of Party Identification over the economic perceptions. I will start identifying that effect to explain its variation on the following section. Let us remember that in order to do the mediation analysis I need to identify the relationship between the so called Mediator and an independent variable, using function 3.1.

The second step measures the full model, using function 3.2. After the indirect (a) and direct (b) effect is identified, the mediated effect is measured by obtaining the proportion of coefficients a and c . The last step is to identify the total effect, or c' (Hayes (2013 & 2017) and VanderWeele (2015)).

5.7.1 The two stages of Mediation

I will follow the same structure presented on the two previous chapters. I will start measuring the mediation of party identification on the national economic indicators over economic evaluation, which I called the economic expectation stage. I will continue the analysis measuring the mediation of party identification on economic perceptions over presidential support, or what I called the responsibility assumption stage.

General Effect

Table 5.14 shows the direct and mediated OLS models required for the mediation analysis. Columns 1 and 2 show the results of the Economic Expectations stage, and columns 3 and 4 the Responsibility Attribution stage.

Table 5.14: Mediation Analysis Stages OLS

	(1)	(2)	(3)	(4)
	Economic Expectations		Responsibility Attribution	
	Sociotropic	Party Id	Approval	Party Id
Party Identification (-1 0 1)	0.115*** (0.003)		0.180*** (0.002)	
Inflation	-0.949*** (0.080)	0.085 (0.080)		
Unemployment	-3.840*** (0.200)	-0.497** (0.199)		
Sociotropic			0.161*** (0.002)	0.098*** (0.003)
Egotropic			0.084*** (0.002)	0.063*** (0.003)
year	-0.009*** (0.002)	-0.009*** (0.002)	-0.004*** (0.001)	-0.010*** (0.001)
Constant	18.602*** (3.334)	17.433*** (3.545)	8.988*** (2.051)	21.107*** (2.892)
Observations	90,528	90,528	90,528	90,528
Number of president	6	6	6	6
rho	0.00971	0.0290	0.139	0.0219

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Table 5.15 shows the general mediated proportions of party identification on the two analyzed stages, computed with the results from 5.14. We can observe that, in general, party identification only mediates 3% of the economic evaluations and the actual macroeconomic indicators.

On the other hand, party identification mediates 10% of the perceptions of the economy when evaluating the incumbent, or when attributing responsibility to the incumbent. The mediation effect of party identification on the Responsibility attri-

Table 5.15: General mediated proportions in Chile

Estimation	Economic Expectations Stage	Responsibility Attribution Stage
ACME	0.0627	0.0176
ADE	-1.3954	0.1607
Total Effect	-1.3327	0.1782
Proportion Mediated	-0.0292	0.0970
Sample Size Used: 90,527		
Simulations: 100		

Signif. codes: 0 *** 0.001 ** 0.01 *

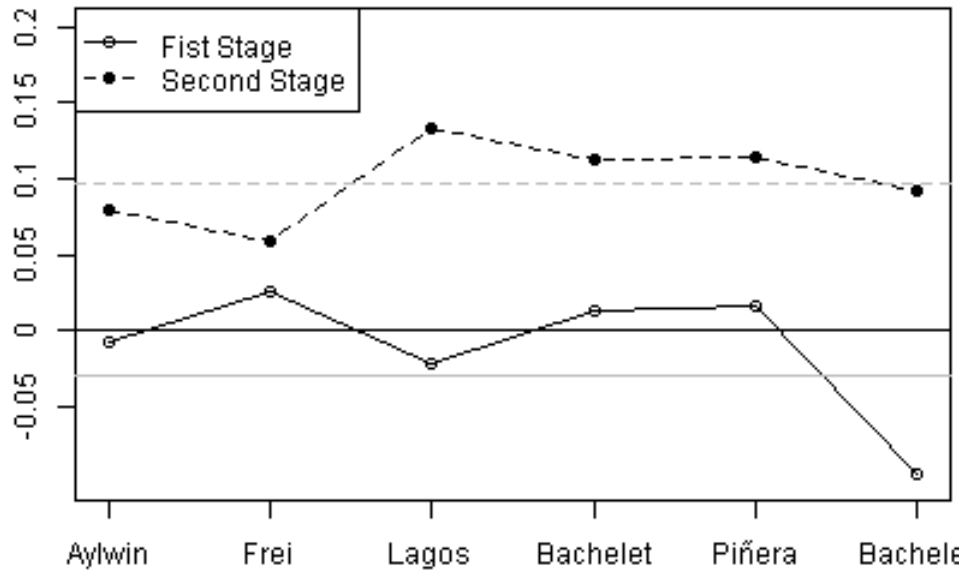
Note: computed using R mediation package

Source: CEP Polls - <http://www.cepchile.cl>

bution stage is 3 times larger than the mediation effect of party identification on the economic expectation stage. These results are consistent with the examples shown on the two previous chapters.

Figure 5.7 shows the effect of both stages by Presidents in Chile. One can observe that the effect of the second stage is always larger than the first stage, as shown previously with the general effect per stages.

Figure 5.7: General mediated proportions in Chile by Presidents



Source: CEP Polls - <http://www.cepchile.cl>

Figure 5.7 shows that the first and the second stages were coming closer as time passed until the first right-wing government of the past 20 years. The case of Bachelet in her second term is really interesting. There is an important change of the individuals on the last reviewed administration. Individuals reacted more directly to the state of the economy only in this term. As the economy went down, also did her support.

On most of the analyzed period there was almost no mediation at all of party identification over the evaluation of the economy. On the second term of Bachelet that effect multiplied dramatically.

In the next section I will disentangle this effect by type of partisanship.

Effects by party identification

Table 5.16 shows the mediated proportion by party identification and presidents. One can observe that the mediated effect for those who feel represented by a political party in the opposition is almost null on both stages of the mediation analysis.

Table 5.16: Mediated proportions by partisanship in Chile

Estimation	Opposition		Government	
	Economic Expectations	Responsibility Attribution	Economic Expectations	Responsibility Attribution
ACME	-0.0270	0.0000	0.2026	0.0354
ADE	-0.5735	-0.0381	-0.6132	0.2264
Total Effect	-0.6005	-0.0381	-0.4106	0.2618
Prop. Mediated	0.0187	0.0000	-0.1645	0.1356
Sample Size Used: 90,527				
Simulations: 100				
Signif. codes: 0 '***' 0.001 '**' 0.01 '*'				
Note: computed using R mediation package				
Source: CEP Polls - http://www.cepchile.cl				

The biggest effect of party identification happens on those who feel represented by a political party in charge, and on both stages. It is interesting to discuss the effect of the first stage or economic expectation stage for those who feel represented by a

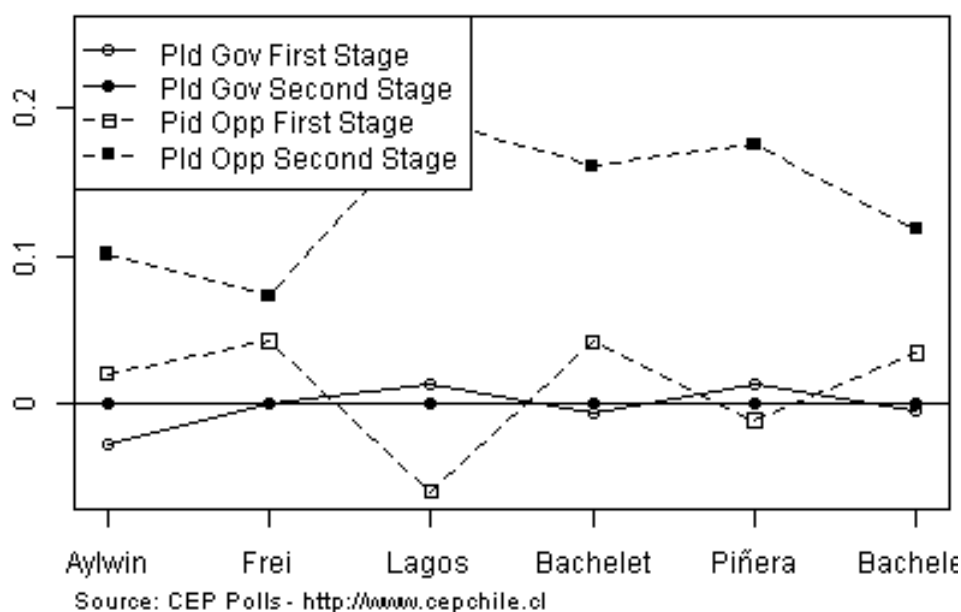
political party in office. The effect is negative. This is explained due to the fact that the two harshest economic recessions happened under two Concertación terms.

In general, in the same way that I presented it on the descriptives, the incumbents were not directly punished considering the poor economic performance.

On the other hand, the mediated proportion of party identification with the government on the responsibility assumption is similar to the one I found in Latin America, and also smaller than the one found in the US. In these cases the responsibility attribution process were diminished due to the fact that multiparty systems generates incentives to dilute the effect, because it is more difficult to identify one individual or party to be responsible for.

Figure 5.8 shows the effect of both party identification with the opposition and the government for the Chilean case.

Figure 5.8: Mediated proportions by party identification and Presidents



This effect actually gets magnified due to the fact that the number of individuals who felt represented by a political party has been decreasing dramatically in the Chilean case. We are talking about a 10% of the population that behaved just as partisans when they were in the opposition, after of being in power for 20 years.

5.7.2 Mediation effect across time

Now it is turn to analyze the mediation effect at the smallest unit of analysis possible, in this case, for each poll. I already described that most of the mediation effect happens on the responsibility attribution stage. And in order to be parsimonious with the two previous chapters, now I will analyze the mediated effect by party identification across the years.

Table 5.17: CEP Polls per president

President	Number of polls	Individuals
Patricio Aylwin	14	19,253
Eduardo Frei	12	17,200
Ricardo Lagos	12	17,201
Michelle Bachelet	9	12,942
Sebastián Piñera	9	12,937
Michelle Bachelet	8	10,995
Total	64	90,528

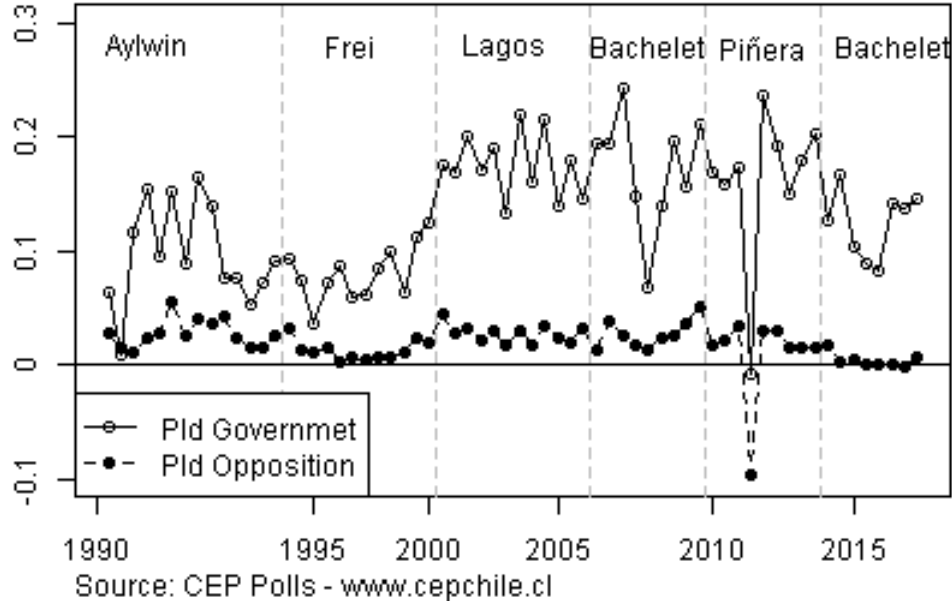
Source: CEP Polls - www.cepchile.cl

Table 5.17 shows that there are at least 8 polls per president, unevenly distributed among them, ranging up to 14 of them. I am analyzing 64 polls in total for the period 1990 to 2017.

Using a multilevel model I estimated the proportion mediated per each poll. Figure 5.9 shows the proportion mediated per survey over the past 28 years in Chile. I have 64 different estimations in total, distributed across 6 different presidential administrations. Figure 5.9 also let me falsify the null hypothesis that there is no mediation variation across time, and accept the hypothesis that there actually is.

Once the unit of analysis changed from Presidents to polls, the average mediated proportion of the opposition party identification increased marginally to 3.6%, from almost 3 when the unit of analysis was the Presidents. On the other hand, the average mediated effect of party identification with the government stayed at 13%.

Figure 5.9: Mediated proportions across time and Party Identification



Of more interest for my dissertation is the result of the Government party identification model, which identifies almost 14% of mediation. This means that only 14% of variance of the positive economic perception is explained because the respondent feels identified by a political party in charge.

I estimated the mediation effect for those who feel represented by a political party from the opposition and the average mediation effect is just 3.8%, which is almost 4 times smaller than the effect of the government party identification.

The previous estimation let me falsify the null hypothesis that party identification does not mediate the economic perceptions. It is a really good start, but not good enough necessarily. The next step is to identify the variation of this mediation across time.

These measurements turn into the dependent variable of most interest of this dissertation. Now I am going to identify what explains the variation of the mediated proportion of party identification on economic perceptions over presidential support, the responsibility attribution stage.

The last step of this inferential analysis section is to explain the variation of the different mediated proportions identified across time. In order to do that I will test my three hypotheses that may explain the mediated proportion variation across time. Variation may be explained due to a) changes in the economy, b) more institutionalized democratic regime, or due to c) changes in the society organizational structure.

Table 5.18 shows the Mixed Effects OLS results explaining the variation of the mediated proportions of party identification over presidential support across time.

I argued that the variation may be explained by three different variables. I can accept the null hypothesis that changes in the civil society explained that variation, because the coefficient is not significant explaining the Opposition or the Government models.

Table 5.18: Explaining Mediated Proportions across time

	(1)	(2)
	Party Identification	
	Opposition	Government
Polyarchy	-0.001 (0.182)	1.052** (0.459)
Civil Society Participation	-0.101 (0.072)	0.189 (0.183)
GDP growth	-0.103 (0.225)	0.517 (0.568)
Inflation	-0.015 (0.077)	0.160 (0.194)
Unemployment	0.406*** (0.156)	0.739* (0.393)
year	-0.001 (0.001)	0.001 (0.002)
Constant	0.068 (0.155)	-0.992** (0.392)
Observations	64	64
Number of president	6	6
rho	0	0

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Column 1 shows the results explaining the Opposition party identification model. Only unemployment has an statistically significant coefficient. As the unemployment rate increased, also did the proportion mediated of negative economic perceptions of the opposition party identification.

Column 2 shows the results for the variation of the proportion mediated for the Government party identification model. I can observe that the only statistically significant coefficient is the one for Polyarchy. As polyarchy increased the proportion mediated of party identification with the government mediating the economic perceptions increases too.

With the results of Table 5.18 I can accept the null hypothesis of the effect of the changes in the Civil Society, and I can reject the null hypotheses of economic performance and the institutionalization of the democratic regime, but with limitations, because they do not explain the variations of all the mediated proportions, but some of them separately. I will come back to this in the following discussion section.

5.8 Discussion

There are multiple findings to highlight from this chapter. Let me start with the fact that the period of time analyzed in Chile described a country that changed dramatically from what democratic regimes received in 1989, after 18 years of dictatorship. The poor economic situation and the uncertainty of a new democratic breakdown prioritized economic rather than political reforms.

The first task that Concertación faced was to produce economic stability over economic growth or improve the democratic conditions of the country. It is important to note that even the Judiciary system did not processed militaries for crimes against humanity until later in the 90's.

The consecutive first two Christian Democrat governments promoted austerity and moderation. The benefits of the political stability started having good effects over the economy too; promoting higher levels of economic growth, but the Asian economic crisis ended up abruptly that trend and put the country on a new track of political and democratic improvement, but with lower levels of economic growth.

Concertación continued administrating the Pinochet regime over 25 years with some success, but two dramatic changes starting happening. On one hand a series of economic crisis struck the country, affecting primarily the economic growth, and inflation and unemployment stayed almost stable, or with no dramatic changes.

On the other hand, as time passed by and even democracy institutionalized more and more, individuals started changing its characteristics and demands. The most salient and evident fact of this change is the growth rate of society disaffection and loss of trust in political institutions and political parties in particular. In the beginnings of the 90's almost 4 in 5 individuals felt represented by a political party, meanwhile in 2017 only 1 in 5 individuals feel represented by a political party.

There are many explanations to the increase of the disaffection levels. It is not the matter of this dissertation review or discusses them, but there is no doubt that independently of how that disaffection emerged affected not only the levels of political representation, but I have been able to show that it also affected the role of party identification in the public. Those economic, political and societal changes described above were gathered together and examined in detail. My inferential analysis also let me identify certain differences on patterns of behavior of the individuals.

Party identification has a mediation effect over the economic perceptions. Unfortunately there is no rule of thumb or metric that allows me to argue whether it is too high or too low. I can take as a comparison parameter the mediated proportion in the US from 1980 to 2016 that was 30% for the party in charge. Having that value in

mind one can argue that the proportion mediated in Chile (9%) in average is rather low.

More importantly than identifying how big or small the effect was, I am interested in find variation, and I did. I was able to measure that the proportion mediated by party identification over economic perceptions varied dramatically over the past 27 years in Chile. And then, when explaining that variation, I was also able to obtain interesting findings.

On one hand, the proportion mediated of the Government party identification over positive economic perceptions is explained by the changes in the polyarchy level in the country rather than changes in the economic performance. The alternative answer I provide for this is that the electorate in general, and those who feel represented by a political party in charge, do not rely their evaluations or perceptions in changes in the economy only, but in more substantive changes in country such as quality of life in general, including democratic institutions and also the economy.

Polyarchy is a wide concept that measures different aspects and indicators of an electoral democracy. In my opinion, those who feel represented by a political party in power expect from the Government higher levels of delivery and responsiveness, a concept more comprehensive than just economic growth. Using the MacKuen, Erikson & Stimson (1992) terminology, they behave as bankers, because they consider the changes in variables that have an effect in the quality of life in the long run.

The variation of the proportion mediated by the identification of a political party in the opposition over economic perceptions is explained by variations in the unemployment rate. I propose as an alternative explanation to this that those who feel represented by the opposition tend to have a more selfish approach when making political evaluations or political attitudes in general. Following an academic piece from the 90's, those who feel represented by a political party in the opposition behave more as peasants (MacKuen, Erikson & Stimson (1992)), because they pay more

attention to what happens to them, individually, in the present, not considering the implications over time.

It is also interesting that I did not find direct patterns of reward or punishment for the state of the current economy, as described by the theory from the 80's. I think that the electorate demands more from the system, but not just pork and barrels. My interpretation of the results is that the electorate demands better levels of representation and responsiveness in general, and better quality of life in general terms too.

I identified a more complex public, that do not simply react to short or immediate economic incentives, but an individual that demand better standards from the government and the political system in general.

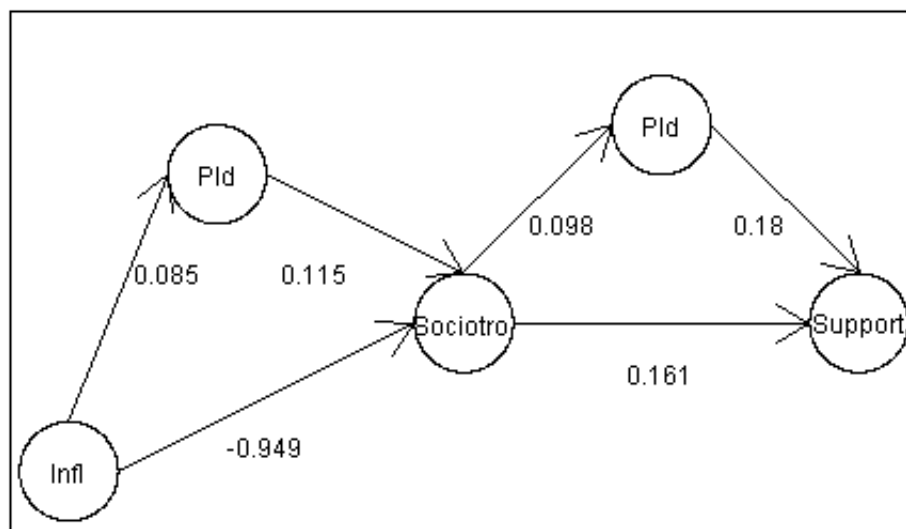
Finally, I evaluate positively the fact that the Chilean public challenges the main theoretical puzzles and empirical evidence. It is totally clear now that the public is more complex than a rational actor that only seeks to minimize costs and maximize benefits. My findings challenge the classic theories in order to explain and comprehend this new complex citizen.

5.9 Concluding remarks

This chapter has the objective of analyze Chile as a case of study, primarily due to its characteristic of democratic and economic development in the region. On the other hand, the period of time analyzed included different levels of economic and political institutions development, starting with a poor and returning to democracy in 1990. After 30 years past the dictatorship, Chile has strong democratic institutions and a growing economy that deviates from the morn in the region.

Figure 5.10 shows the general results in Chile. Using those values I measured that only 4% of the economic perceptions was mediated by party identification in the economic expectation stage, as shown previously on table 5.15.

Figure 5.10: Mediation analysis in Chile by stages



This figure shows the results from equations 3.1 and 3.2. In order to obtain the Indirect Effect we multiply a times b . For the Total Effect we add that product to c . To obtain the mediated proportion we divide the multiplication product for the Total Effect.

In this case, for the responsibility attribution stage we have: $\frac{.098 \cdot .18}{(.098 \cdot .18) + .161} \cong .09$

On the other hand party identification mediates 9% of the perceptions of the economy on the responsibility attribution stage, which means that 90% of the perception of the economy affects directly the way individuals reward or punish the incumbent.

The Chilean case had mediated proportions by party identification below the US and Latin American case. But on the other hand there is an interesting paradox. Even though party identification has been dramatically reducing over the past decades, the effect mediated by it stays almost immovable.

The next chapter is the last of this dissertation, where I will put together the results found and compare them. At the same time I will highlight the main findings.

But more importantly I will put them in perspective and see how they relate with the previous comparative evidence and how they do challenge the future of the discipline.

Chapter 6

Conclusions

6.1 Does the economy matter?

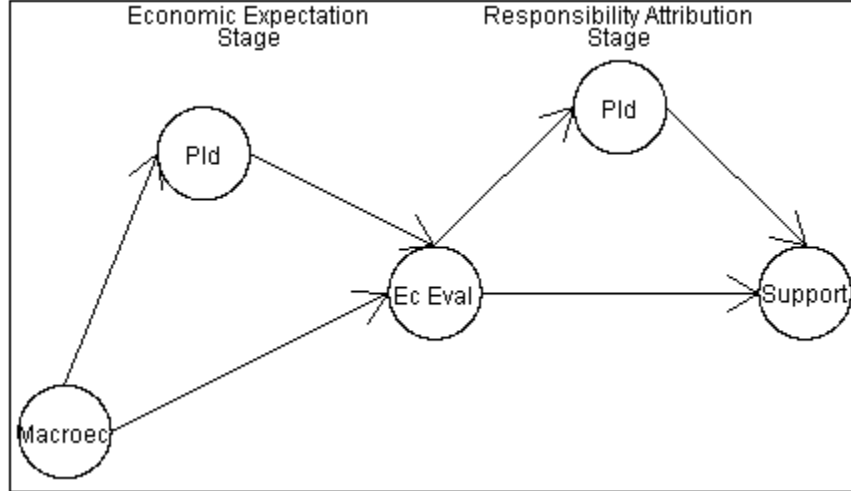
This dissertation began by questioning the claim that partisanship blindfolds individuals. Existing literature is driven by the assumption that partisans select and/or discard information from the political environment in order to confirm their own previous beliefs.

This assumption claims regardless of how voters evaluate the economy, their perceptions only matter for their evaluation of the government when it confirms their political positions. Partisans reward the incumbent if they are from the same political coalition, and punish the incumbent when they are in the opposition.

In this dissertation, I have shown that gauging the mediating effect of party identification on the economy can effectively measure this blindfolding capacity. In addition, I examined possible timing of the mediating effect. Mediation has been hypothesized to occur at the economic expectation stage, or at the stage of responsibility attribution, as shown in figure 6.1.

At the economic evaluation stage, the perception or evaluation of the economy is the outcome of interest. This variable can be explained by changes in the macroe-

Figure 6.1: Economic expectations and responsibility attribution stages



conomic environment, such as inflation or unemployment rates. Party identification is instrumentalized as a mediator. At this stage, party identification blindfolds the electorate; it mediates a high proportion of the effect of macroeconomic performance on a voter's economic evaluation or perception.

Alternatively, the mediation of party identification could occur when an individual assigns responsibility to the incumbent based on the state of the economy. If party identification works to blindfold individuals at this point, one should expect high levels of mediated effect on presidential support.

This dissertation's first finding is that neither of the previous conditions were fully satisfied. There are important differences with respect to the mediation effect across the two stages analyzed. More importantly, there are key differences with respect to the effect between partisans. I review the findings from each of the empirical cases in the following sections.

A second significant finding is that partisanship does not necessarily imply a particular type of behavior. My dissertation departs from previous comparative evidence by analyzing the difference in effect between individuals who feel represented by a political party in power and individuals who feel represented by a political party in

the opposition. This is an innovative and groundbreaking approach. To date, the existing literature and comparative evidence assume that partisanship is a characteristic shared by those who feel represented by a political party. Hence, these studies do not distinguish in their analyses between those who are in office and those who are in the opposition.

The third and last general finding is that type, variety, and number of party identification categories vary widely across societies and countries. My dissertation also sheds light on the fact that an individual who feels represented by a political party in office will not necessarily behave in the same way across countries. I discuss these cross-national differences in the following section.

Generally speaking, one can argue that party identification does not necessarily mediate the way individuals, and partisans in particular, perceive and evaluate the economy. Individuals rely on their environment when they evaluate macroeconomic performance. My dissertation proved that the mediation effect of party identification on economic perceptions is almost null.

Instead, this dissertation shows that party identification mediates the way individuals think about the economy when they assign responsibility to the incumbent. Even though individuals evaluate the economy independently of their partisanship, party identification does affect the way partisans punish or reward the incumbent. My dissertation has demonstrated that individuals who feel represented by a political party in office reward the incumbent in response to their evaluation of the economy and partisanship. On the other hand, individuals in the opposition do not punish the incumbent because of their partisanship against the incumbent.

My original research question and the title of this dissertation asks, “do economic shocks matters over presidential support?” In short, yes, they do. And economic shocks actually has more important influence than party identification.

6.2 The Pragmatic Voter

My dissertation describes an individual that is more pragmatic than idealistic or irrational. The evidence presented here shows that responsiveness to economic shocks is weakly mediated by partisanship in general, but there are differences across cases or countries.

I began by analyzing the US case because there is where this analysis started decades ago. The US analysis section accomplished two purposes: to introduce mediation analysis and, more importantly, to define a comparison base or reference point for the following sections.

Table 6.1: Mediated Proportions in the US

Mediated Proportion	Economic Expectations Stage	Responsibility Attribution Stage
PId Opposition	0.029	0.000
PId Government	-0.023	0.256
General	-0.0167	0.2919

According to the results summarized in table 6.1, when analyzing the past four decades in the US, little to no mediation of party identification was found at the first stage or at the economic expectation stage. The mediated proportion comparing the effect of partisanship, whether they were in office or in the opposition, was almost identical: around 2% of the economic perceptions were mediated by party identification.

Party identification mediated almost 30% of the responsibility attribution stage. More importantly, most of the effect happens among individuals who feel represented by a political party in office, and the effect is null among those who feel represented by a political party in the opposition.

Importantly, the previous finding demonstrates that the effect goes beyond identification as a Democrat or Republican. Instead, what matters most is whether “your”

party is ruling or not. When individuals' parties are in charge they feel responsible for the administration outcome.

In addition to building on existing theories in American politics literature, this finding also contributes to questions of comparative politics. Many studies in comparative politics rely on the assumption that partisanship “blindfolds” individuals’ behavior - an assumption that is based on the US case. In light of the questions this dissertation raises about party identification in the US, I identify two alternatives explanations. Perhaps the findings in this literature captures effects present in the 1950’s and 1960’s. I am not able to examine this effect because data from those decades is not available. Alternatively, researchers concluded that 30% was large enough to label the effect as “blindfolding”.

I dismiss the possible explanation that researchers simply followed their own prejudices, and never measured the effect of party identification on economic perceptions, but instead relied unquestioningly on theories from 1960.

The US results also aid in the comparison of effect size among the other cases included in this dissertation. The Latin American case followed the trends found in the US, but at a lower or smaller scale. Party identification mediated only 4% of the evaluation of the economic situation with respect to the actual macroeconomic indicators, as shown in table 6.2. However, differently than the US, there was a marginally higher mediation effect among those who feel represented by a political party in the opposition than the individuals who feel represented by a political party in office.

Table 6.2: Mediated Proportions in Latin America

Mediated Proportion	Economic Expectations Stage	Responsibility Attribution Stage
PId Opposition	0.0255	0.0000
PId Government	0.0181	0.1525
General	0.0408	0.1389

The main mediation occurred at the responsibility attribution stage. The average mediation of party identification at the responsibility attribution stage is almost 14%. Similar to the US case, the effect is indistinguishable from zero among those who feel represented by a political party in the opposition. The mediated proportion of party identification with a party in office is 15%.

I define this effect as moderate, but it is definitively smaller than the effect found in the US. I argue that three reasons explain this difference. First of all, Latin American countries do not have, in general, pure two-party systems as in the US. This makes it harder to the individual to assign responsibility to one party or candidate in particular. This result aligns with previous comparative evidence in the region.

The second explanation is related to the level of development of the region. As discussed on Chapter 4, in contrast with the US, Latin American countries are at the low-middle middle level of economic development. This was measured by the GDP and other institutional variables that I discuss in the next sections. As I found in this dissertation, the mediation capacity of party identification can be explained by different levels of political and economic development.

A third explanation is related to measurement. The ANES has a particular way to measure partisanship using a seven-point scale that only applies to the US case, where there is an almost pure bipartisan system. In contrast, in Latin America, LAPOP asks the individuals whether they “currently identify with a political party?” (See the Appendix for wording details), and then asks the respondent what political party they identify with. One can easily observe how the described measurements mechanisms can lead to different results. In the US, respondents can be classified on a scale with different intensities, while in Latin America LAPOP simply uses a dichotomy.

Finally, with the evidence drawn from 17 Latin American countries over the past decade, I conclude that I cannot fully reject the null hypothesis of no mediation effect

of party identification. Instead, I argue that the effect found, 13%, is not big enough to claim that partisans are “blindfolded”.

The third empirical case analyzed is Chile. The results findings from the Chile case (1990 - 2018) deviated marginally from the US and Latin American cases, but were even smaller than the results presented above.

Table 6.3 shows the mediated proportion of party identification on both stages in Chile. In contrast to the two previous empirical analyzed cases, party identification with the government mediated in a 16% the way individuals evaluated the economy.

Table 6.3: Mediated Proportions in Chile

Mediated Proportion	Economic Expectations Stage	Responsibility Attribution Stage
PId Opposition	0.0187	0.0000
PId Government	-0.1645	0.1356
General	-0.0292	0.0970

Of the cases studied in this dissertation, Chile has the lowest general mediated proportion of responsibility attribution, at 9%. The proportion mediated by feeling represented by a political party in office is 13% - half of the size of the effect in the US and just two percentage points below the effect in Latin America.

While Chilean voters have historically held strong partisan attachments and commitment to ideology (Calvo & Murillo (2013 & 2018), responsiveness to economic shocks is weakly mediated by partisanship. I argue that three alternative processes can explain this.

In the history of Chilean presidential politics, two instances of paradoxical presidential support by voters stand out. During the administration of Eduardo Frei (1994-2000) and the first administration of Michelle Bachelet (2006-2010) two economic crises struck the country. Support for Frei declined during the crisis, but never dropped below 30%. He survived the economic crisis without a dramatic loss of support. Bachelet’s first term is even more paradoxical. The 2008 financial crisis strongly

weakened the Chilean economy, contributing to periods of economic decline. Nevertheless, due to her countercyclical economic decisions and her personal charisma, Bachelet enjoyed support levels never before experienced in the history of Chilean democracy. Despite leaving office in the midst of economic restriction and decline, Bachelet's favorability rating was 80%.

Alternatively, the multiparty nature of the Chilean impacts voter behavior in many ways. Importantly for the purposes of this dissertation, mediated proportions are smaller than in the US, where the two-party system makes it easier to identify one candidate or party to punish or reward.

Third, in contrast with the US and general trends in Latin America, Chileans appear to no longer feel represented by political parties. Almost 3 in 10 individuals felt represented by a political party in 1900 in Chile; yet in the last poll analyzed in my dissertation, only 1 in 5 individuals felt represented by a political party.

The findings that Latin America and Chile have low levels of mediated proportions by party identification at the responsibility attribution stage and an almost null effect at the economic evaluation stage support the argument that differences in political institutions, and particularly in party systems, explain these variations.

Several comparative studies explain this variation by arguing that different levels of economic development also play an important role. The evidence that open economies affect responsibility attribution is vast. I contribute to the findings of Hellwig & Samuels (2007a & 2007b), Alcañiz & Hellwig (2011), and Campello & Zucco (2016) and introduce new evidence to support this argument.

6.3 Institutional explanations

In addition to measuring the different mediated proportions at different stages and type of political party identification in Latin America and in Chile, I also argue

that two aspects of institutional development, economic and political, explain these differences.

Levels of domestic economic development explain the mediated proportions at the responsibility attribution in Latin American countries. When changing the unit of analysis to country-year, the mediated proportion of party identification with the government is explained by the decrease rate of the Gross Domestic Product, and in a smaller way, by the increase of the GDP per capita.

These results enable me to identify an individual who feels responsible for the administration in office and reacts in an interest way. When a voter feels that the economy is doing well, but they do not personally receive a direct economic benefit from “their” government, the mediation effect of identifying with the party in power decreases. But when that same individual gets a direct material or economic benefit, the increase in the GDP per capita increases the rewarding effect on “his” government.

The Latin American electorate is not only pragmatic, but also rather selfish. He or she not only wants the entire country to do well, he also wants to directly benefit from that economic growth.

The mediated proportions of responsibility attribution in Chile can be explained by the unemployment rate or the Polyarchy level. The mediated proportion of party identification with the opposition is explained by an increase in the unemployment rate. The mediated proportion of party identification with a party in office is explained by an increase in the Polyarchy level.

My findings related to the institutional explanations support the argument that the Chilean electorate exhibits more selfish and individualistic behavior when the party they feel connected to is in the opposition.

On the other hand, individuals who feel represented by a political party in power behave contrary to those who feel represented by a party in the opposition. The me-

diated proportion of party identification with a party in office increased dramatically as the Polyarchy level increased in the country.

The mediation proportion of party identification for an individual who feels represented by a political party in power increased as the general democratic regime increased in Chile. Therefore, I argue that these voters feel responsible for that improvement, and this affects them individually and the population in general. More importantly, the Chilean pro-government partisan prefers to consider economic and social conditions when they improve in the long run. Under higher Polyarchy levels, countries as a whole will continuously improve in the long run. Higher levels of Polyarchy generate a synergy or multiplicative effect of general benefits for the society as a whole, and as Chile improved, individuals who identified with the government rewarded the incumbent attributing the responsibility of that progress to the incumbent.

I hypothesized that as civil society participation increased over time, it could have an effect on the mediation capacity of party identification. Following the development and post-modern paradigms, I hypothesized that party identification will mediate more as civil society participates more. According to this dissertation's results, I am able to accept the null hypothesis and argue that there is no effect at all.

My dissertation's results challenges longstanding beliefs about the mediating effect of partisanship on presidential evaluations. An extensive body of research shows that partisanship determines voters' evaluations of incumbents. In contrast, I show that as partisanship levels decreased over time, the economy has started to fill the vacuum left by partisanship.

6.4 Scope and limitations

As my findings are based on a large number of cases, including Latin American countries and the Chilean case, I argue that my dissertation expands the limits of previous research with respect to the analysis of the Vote-Popularity function in general, and the impact of economic conditions and party identification in particular.

Furthermore, the wide differences in economic development and institutionalization of democratic institutions in Latin American countries supports the applicability of these findings to similar contexts, as found in Eastern Europe and Sub-Saharan Africa.

Yet the applicability of these results cannot translate to non-democratic or authoritarian regimes. In addition, as the Latin American cases share Greco-Roman cultural origins, I hesitate to apply the implications of these findings to societies and countries culturally different, such as countries of the Middle East. This does not exclude all Asian cases: these results could be tested in Christian societies in Asia, such as the Philippines in Asia, or African states with legacies of European colonization.

While this dissertation finds weak mediating effects for the economy, we still do not know whether partisanship mediates other aspects of performance assessment, such as the allocation of public sector jobs, clientelism, or personal service, among others (Valenzuela (1977) Stokes et al (2014)).

My research raises an important question related to the indirect value of partisanship and party brands. The economy is arguably one of the areas where indirect gains from partisanship on voter assessment should be the strongest; however, results provide little support for these benefits. Would this be the case for other types of goods delivered by parties? (Aldrich (1995), Lupu (2016)).

In this research I do not assume that stronger presidential approval can improve the prospects of growth. Cases such as those of Argentina and Brazil have shown that popular presidents oftentimes can deal with economic shocks better than unpopular

presidents, as was the case in the resignation of De La Rúa in Argentina, and the impeachment of Collor de Mello and Dilma Rousseff in Brazil (Pérez-Liñán (2007) & Mainwaring & Pérez-Liñán (2013)).

More recently, Alt, Lassen & Marshall (2016) argued that economic voting has different effects across different levels of politically sophisticated voters. One can assume that the US individuals are more sophisticated than the Latin American and the Chilean electorate due to different levels of economic development in the regions, but at the same time one would expect high levels of variance in the US. One could argue, and pending data availability actually test, whether this relationship also exists in Latin America or Chile.

The relationship between economy, partisanship, and presidential support poses a number of other implications that can be examined in the future. They are beyond the scope of these findings and thus were not included in this dissertation.

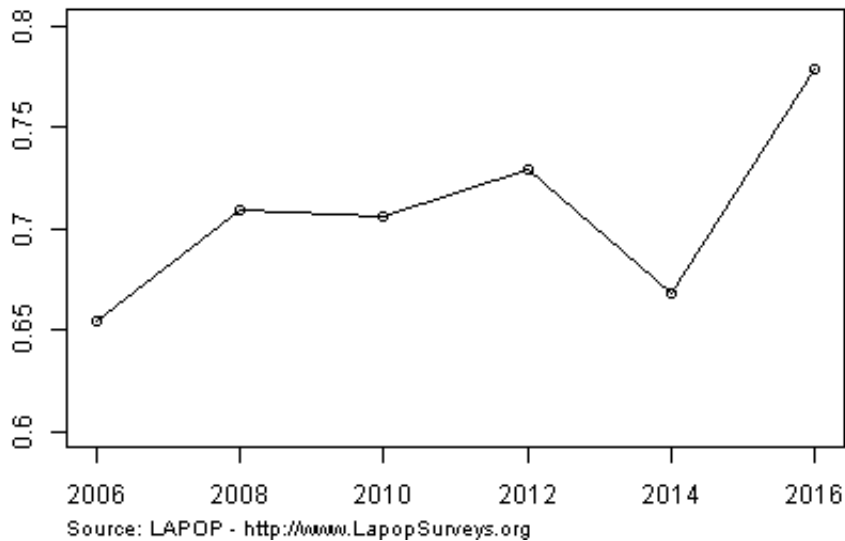
6.5 Practical Implications

As partisanship rates decreased dramatically in Chile, as shown in Figure 5.2 in Chapter 5, and also in Latin America, as shown in Figure 6.2, there are challenges and opportunities for politicians and voters.

From the supply side, politicians should be aware that a solid track record of managerial competence is not boosted significantly by partisanship. The assumption that voters are “blindfolded” by partisan attachment when they vote for populist parties is unwarranted. Voters in Latin America are pragmatic irrespective of ideological self-placement.

Since politicians know that Latin American voters prefer economic growth in general, they can start offering that as a political platform. Actually, this explains recent shifts to the right in the region, as observed in the recent presidential elections

Figure 6.2: Party Identification disaffection in Latin America



in Argentina (2015), Chile (2017), and Mexico (2018). Historically speaking, right-wing governments are associated with economic growth. They have a good chance of sustaining their electoral successes.

Sitting presidents can revise their platforms to draw attention away from national economic performance by arguing that poor current conditions are the result of an alleged international economic crisis and claiming the only option available is to attempt to resist the symptoms of the crisis.

From the demand side, or voters perspective, in Latin America, voters can punish incumbents for poor economic performance. Voters have a more important challenge than this. What is replacing the information allocation process historically done by political parties? My dissertation found civil society is not filling that void. Recent years have shown that political mobilization is starting to be the answer.

Social movements are starting to take the place of political parties. The Argentinean example of “Niuna menos” (Not one ‘women’ less), which was followed by Chile and Brazil, is a key example. The social movement led by women for public health regulations providing free and safe abortions is another example. These movements organized using social media and were able to mobilize large amounts of people. Only

one of these social movements was successful in achieving legislative reform, but the size, strategies, and mobilization power of these social movements illustrates their growing influence.

In contrast, there are two main options to follow in Chile. An electoral candidate has to promote the unemployment reduction or aim higher and offer better levels of democratization. Unfortunately the former is easier to handle than the latter.

At the same time, politicians know that voters are pragmatic. This will promote more locally-focused political campaigns and advertisement because politicians recognize that one size does not fit all.

In general there are vast opportunities to fill the void left by partisanship. Success will depend on who is the first mover, and then who can improve that proposal.

6.6 The future of this research agenda

In the short run I want to turn this dissertation into two papers, one per empirical chapter. In the long run I want to improve the argument and mechanism in order to transform this dissertation into a book in three years.

There are many other subcomponents that are involved in the analyzed relationship that were not incorporated into the dissertation's findings.

There is no question that in the long run the primary issue will be funding the research. Fortunately, I have the opportunity to join a research institution that wants to create a doctoral program in the next three to five years, which will grant me access to research assistants.

I recognize the need to circulate and workshop the papers. It is easy to lose sight of the big picture when writing a dissertation, especially because one has to deal with administrative issues. Hopefully this will change once I start working as a professor.

My dissertation shows that voters are pragmatic. How are political parties going to answer to the new demands of changing societies? The answer to this question is not clear, but I firmly doubt that this bodes the end of political parties. If there is one thing that power is good at, it is reproducing power (Mosca (1939)).

Finally, I am aware of the necessity and benefit of socializing these findings first. One can only gain benefits from discussion and new points of view. I see myself working on this topic for three to five years maximum. I began thinking about these questions 16 years ago in college, and it is time to move on.

Chapter 7

Appendix

7.1 Polls questions wording

LAPOP Polls questions

This is the list of questions analyzed as they were asked in the survey. They were asked in Spanish, Quechua or Portuguese. LAPOP also apply the questionnaire in English.

Q1. Sex [Record but DO NOT ask]: (1) Male (2) Female

ED. How many years of schooling have you completed?

M1. Speaking in general of the current administration,
how would you rate the job performance of President NAME
CURRENT PRESIDENT?

(1) Very good (2) Good (3) Neither good nor bad (fair) (4)
Bad (5) Very bad

Q10. Into which of the following income ranges does the total monthly income of this household fit, including remittances from abroad and the income of all the working adults and children?

- (00) No income
- (01) Less than \$25
- (02) \$26- \$50
- (03) \$51-\$100
- (04) \$101-\$150
- (05) \$151-\$200
- (06) \$201-\$300
- (07) \$301-\$400
- (08) \$401-500
- (09) \$501-\$750
- (10) \$751-\$1,000
- (11) \$1,001- \$1,500
- (12) \$1,501-\$2,000
- (13) Above \$2,000
- (88) DK/DR

[COLLECT CARD "E"]

Q10NEW. And into which of the following ranges does the total monthly income of this household fit, including remittances from abroad and the income of all the working adults and children?

[Update with information provided by team leaders]

- (00) No income

- (01) Less than \$25
- (02) Between \$26- \$50
- (03) \$51-\$100
- (04) \$101-\$150
- (05) \$151-\$200
- (06) \$201-\$300
- (07) \$301-\$400
- (08) \$401-500
- (09) \$501-\$750
- (10) More than \$750
- (11) xxxx
- (12) xxxx
- (13) xxxx
- (14) xxxx
- (15) xxxx
- (16) xxxx

[TAKE BACK CARD "F"]

VB10. Do you currently identify with a political party?

- (1) Yes [Continue]
- (2) No

SOCT2. Do you think that the country's current economic situation is better than, the same as or worse than it was 12 months ago?

- (1) Better (2) Same (3) Worse

IDI02. Do you think that your economic situation is better
than, the same as, or worse than it was 12 months ago?
(1) Better (2) Same (3) Worse

CEP Polls questions

This is the list of questions analyzed as they were asked in the survey. The list here is a free translation, since they were asked in Spanish. The name of the code of the variables changed across years.

Do you approve or disapprove the way [PRESIDENT NAME}] is driving his Government?

- 1 Approve
- 2 Disapprove
- 3 Does not approve or disapprove
- 8 Do not know
- 9 Does not answer

Of the political parties that are presented, with which one of them are you more identified or more sympathetic ?

[LIST OF POLITICAL PARTIES, IT VARIED ACROSS YEARS]

How would you rate the current economic situation of the country?

- 1 Very Bad
- 2 Bad
- 3 Neither good nor bad
- 4 Good
- 5 Very Good
- 8 Do not know
- 9 Does not answer

In the next 12 months the economic situation of the
country will improve, it will not change or it will get
worse

- 1 Will improve
- 2 Will not change
- 3 It will get worse
- 8 Do not know
- 9 Does not answer

How would you rate your current economic situation?

- 1 Very Bad
- 2 Bad
- 3 Neither good nor bad
- 4 Good
- 5 Very Good
- 8 Do not know
- 9 Does not answer

How do you think your economic situation will be in one
more year?

- 1 Much Better
- 2 Better
- 3 Equal
- 4 Worse
- 5 Much Worse
- 8 Do not know
- 9 Does not answer

Do you think that at the present time Chile is:

progressing, stagnating or in decline?

1 Progressing

2 Stagnant

3 In decline

8 Do not know

9 Does not respond

7.2 Endogeneity tests

One can assume that the mediation effect of party identification is similar to the effect of an omitted variable bias. One way to measure the effect of an omitted variable bias, following Angrist & Pischke (2009), is to identify an instrumental variable that takes that into account.

Using a two-stages least squares models I am going to instrumentalize the variables that I have defined as mediators as endogenous. The following three tables contain the results of this 2SLS analysis, one per empirical case analyzed in this dissertation: the US, Latin America and Chile.

2SLS is a simple econometric process where one regress the instrument or endogenous variables with a set of independent variables, called first stage. The outcome of the first stage is incorporated as a right hand side variable on the following regression or reduced form.

Column 1 shows the results of the general regression model. Column 2 instrumentalize the Economic Expectation stage, endogenizing the economic perception with party identification, inflation and unemployment. Column3 shows the results of the Responsibility Attribution stage, where the instrument is party identification as an endogenous result of the economic evaluations.

The expected results, aligned with the ones presented on this dissertation on the mediation analysis, are no major impact or change on column 2 or the Economic Expectation stage. Bigger effects on the second stage or Responsibility Attribution stage.

Table 7.1 shows the results of the 2SLS in the US on the first and second stage of the mediation analysis done in this dissertation.

Table 7.1: 2SLS results in the US

	(1)	(2)	(3)
	OLS	2SLS	
	General Effect	Economic Expectations	Responsibility Attribution
Female	0.018*** (0.005)	0.034*** (0.005)	-0.018** (0.007)
Age	-0.011*** (0.001)	-0.010*** (0.001)	-0.008*** (0.002)
Education	-0.010*** (0.002)	-0.017*** (0.002)	-0.002 (0.002)
Party Identification (-1 0 1)	0.260*** (0.003)	0.225*** (0.005)	0.865*** (0.016)
Retrospective	0.163*** (0.004)	0.334*** (0.020)	
Prospective	0.056*** (0.004)	0.002 (0.006)	
Inflation	1.296*** (0.429)		1.439** (0.652)
Unemployment	-4.753*** (0.321)		-5.493*** (0.478)
year	-0.022*** (0.002)	-0.002 (0.001)	-0.022*** (0.003)
Constant	43.639*** (4.275)	4.676* (2.534)	43.586*** (6.449)
Terms dummies	✓	✓	✓
Observations	29,743	29,743	29,743
R-squared	0.343	0.288	

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Table 7.2 shows the results of the 2SLS in Latin America on the first and second stage.

Table 7.2: 2SLS results in Latin America

	(1)	(2)	(3)
	OLS	2SLS	
	General Effect	Economic Expectations	Responsibility Attribution
Female	0.009*** (0.002)	0.026*** (0.003)	-0.001 (0.005)
Age	0.001*** (0.000)	0.001*** (0.000)	0.000 (0.000)
Education	-0.002*** (0.000)	-0.002*** (0.000)	0.003*** (0.001)
Party Identification (-1 0 1)	0.181*** (0.002)	0.145*** (0.005)	1.721*** (0.030)
Sociotropic	0.150*** (0.002)	0.407*** (0.029)	
Egotropic	0.056*** (0.002)	-0.050*** (0.012)	
Inflation	-0.000*** (0.000)		0.000*** (0.000)
Unemployment	-0.007*** (0.001)		-0.005** (0.002)
year	0.005*** (0.000)	0.010*** (0.001)	0.003*** (0.001)
Constant	-9.443*** (0.775)	-18.685*** (1.280)	-5.761*** (1.602)
Country dummies	✓	✓	✓
Observations	145,333	145,333	145,333
R-squared	0.165	0.058	

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Table 7.3 shows the results of the 2SLS in Chile on the first and second stage.

Table 7.3: 2SLS results in Chile

	(1) OLS	(2) 2SLS	(3) 2SLS
	General Effect	Economic Expectations	Responsibility Attribution
Female	-0.006** (0.003)	-0.102*** (0.007)	0.012* (0.007)
Age	0.009*** (0.001)	0.020*** (0.002)	0.007*** (0.002)
Education	-0.017*** (0.002)	0.056*** (0.005)	0.049*** (0.004)
Party Identification (-1 0 1)	0.177*** (0.002)	0.245*** (0.005)	1.642*** (0.038)
Sociotropic	0.169*** (0.002)	-0.487*** (0.043)	
Egotropic	0.090*** (0.002)	0.212*** (0.009)	
Inflation	0.211*** (0.055)		-0.227* (0.129)
Inemployment	2.809*** (0.135)		3.035*** (0.319)
year	-0.005*** (0.001)	-0.007*** (0.001)	0.003 (0.003)
Constant	10.316*** (2.472)	15.293*** (2.837)	-6.960 (5.893)
Terms dummies	✓	✓	✓
Observations	90,527	90,527	90,527
R-squared	0.194		

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

The previous 3 tables showed results that support the ones I found during the whole dissertation. In general, higher levels of endogenization on the Responsibility Attribution stage, rather than on the Economic Expectation stage.

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